UNITED NATIONS

General Assembly

FORTY-SIXTH SESSION

Official Records

FIFTH COMMITTEE
3rd meeting
held on
Friday, 4 October 1991
at 10 a.m.
New York

SUMMARY RECORD OF THE 3rd MEETING

Chairman: Mr. MUNTASSER (Libyan Arab Jamahiriya)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

CONTENTS

ORGANIZATION OF WORK

AGENDA ITEM 113: PATTERN OF CONFERENCES

AGENDA ITEM 104: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS AND REPORTS OF THE BOARD OF AUDITORS

This record is subject to correction.
Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, Room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

Distr. GENERAL
A/C.5/46/SR.3
8 October 1991

ORIGINAL: ENGLISH

91-56307 3876S (E)

The meeting was called to order at 10.20 a.m.

ORGANIZATION OF WORK (A/C.5/46/8; A/C.5/46/L.1)

1. The CHAIRMAN said that document A/C.5/46/8, pertaining to the allocation of agenda items to the Fifth Committee, drew its attention to the recommendations of the General Committee on the organization of the session (A/46/250, sect. II). The Group of High-level Intergovernmental Experts to Review the Efficiency of the Administrative and Financial Functioning of the United Nations had stressed the need to utilize available services fully, and the General Committee had made recommendations on the schedule of meetings to that end. He intended to abide closely by the various recommendations and to ensure that meetings started promptly.

2. With regard to working methods, he intended to have related items, such as agenda items 107 and 108, 109 and 110, and 116 and 117, introduced together as clusters, and he asked delegations wishing to speak on them to consider preparing one general statement for each cluster. He also hoped that the practice of groups of States making joint statements on certain agenda items might be extended.

3. Moreover, he proposed to designate a coordinator for each agenda item, as necessary, who would preside over informal consultations in case of need. Such consultations would be held whenever controversial issues were involved, but, as they could be time-consuming, he urged that alternative methods of producing texts for consideration by the Committee should also be explored.

4. He proposed that the list of speakers on any item should be closed no later than 48 hours after its introduction and that speakers should be heard according to their order on the list, those not present when they were due to speak being moved to the end of the list for that day. Finally, he proposed that the Rapporteur should be authorized to report directly to the General Assembly on all items considered and concluded by the Committee unless, in particular cases, the Committee decided to include a summary of the debate in its report.

5. If he heard no objection, he would take it that the Committee wished to proceed accordingly.

6. It was so decided.

7. The CHAIRMAN, turning to the tentative schedule of work which had been distributed, said that its preparation had taken account of such factors as the availability of documentation and Committee Chairmen, and the distribution of the workload throughout the session. Document A/C.5/46/L.1 indicated the current status of documentation for the Fifth Committee. Since the documentation for agenda item 105 (Review of the efficiency of the administrative and financial functioning of the United Nations) would not be

ready in time, its introduction might be deferred until after that of agenda items 107 and 108 with which it had been grouped.

8. With regard to agenda item 111 (Administrative and budgetary coordination of the United Nations with the specialized agencies and the International Atomic Energy Agency), he proposed that the Committee should await the reports of both ACABQ and ACC before taking a decision on the interim study by the Panel of External Auditors on the development of accounting standards in the United Nations system (A/46/341), the only matter that would be before the Committee under that item. He also suggested that agenda item 115 (Personnel questions) might be introduced a week earlier than originally scheduled so as to meet the preference recently expressed by certain delegations. Finally, he thought that 6 December might realistically be set as the date for taking action on all the sub-items of agenda item 18 (Appointments to fill vacancies in subsidiary organs and other appointments) so as to provide time for the necessary consultations on all the appointments concerned.

9. Mr. DUHALT (Mexico) asked if the Committee's working methods would be sufficiently flexible to allow items to be dealt with earlier than scheduled if the necessary documentation was available and work permitted.

10. The CHAIRMAN said that he proposed to be very flexible and would consider any such possibilities.

11. Mr. NASSER (Egypt) expressed satisfaction that the status of the Committee's documentation was considered to be good but noted that one of the reports required for consideration of agenda item 104 (Financial reports and audited financial statements, and reports of the Board of Auditors) was overdue. While accepting that progress had been made, he hoped that efforts to produce documentation on time would be intensified.

12. The suggestion that informal consultations need not be held on all items was also good, but he would like to be sure that when draft resolutions produced by other methods were introduced, the rules of procedure would be observed and those not involved in drafting the text would be able to express their views.

13. Mrs. GOICOCHEA (Cuba) said that her delegation agreed in principle with the programme of work outlined by the Chairman and with the views expressed by the representatives of Mexico and Egypt. The need for the Secretariat to provide documentation in good time was particularly important in the case of agenda item 107 (Proposed programme budget for the biennium 1992-1993), parts of which would be affected by decisions taken in other Committees. Her delegation would like some indication from the Secretariat as to how the necessary consultations would be integrated with the Committee's programme of work. That programme was very heavy, and she hoped that it would be possible to avoid any repetition of what had occurred at the forty-fifth session, when decisions and resolutions were being adopted in the plenary meeting on items which the Fifth Committee was still discussing.

14. Mr. SPAANS (Netherlands), speaking on behalf of the Twelve States members of the European Community, said that they fully supported the statement made by the Chairman at the Committee's 2nd meeting and, in particular, endorsed the process of decision-making by consensus. The proposed programme of work was generally acceptable but the Twelve suggested that discussion of agenda items 111 and 112 (Joint Inspection Unit) should be deferred until the forty-seventh session of the General Assembly in order to facilitate the work of the Committee. The interim study by the Panel of External Auditors on the development of accounting standards (A/46/341), listed to be considered under agenda item 111, should be discussed instead under agenda item 104.

15. With regard to suggestions regarding the Committee's working methods made at informal meetings held earlier in 1991, the Twelve particularly welcomed the suggestions that resolution coordinators to be nominated as early as possible and that a strict deadline should be maintained for the submission of statements of programme budget implications. They fully supported the appeal made by the President of the General Assembly for such statements to be submitted to the Fifth Committee no later than 20 November.

16. Mr. INOMATA (Japan) expressed concern that the work programme might be determined by the availability of documentation, especially in the case of agenda item 107. He would therefore like the Secretariat to indicate, at the Committee's next meeting, when exactly the more than 20 outstanding documents under that item, which all merited detailed discussion, would be issued.

17. His delegation could not understand the suggestion made by the representative of the Netherlands on behalf of the States members of the European Community that consideration of agenda items 111 and 112 should be deferred, since they related to matters of great importance for the whole United Nations and postponement would mean that the General Assembly was not discharging its duties.

18. Ms. SHITAKA (Kenya) endorsed the comments made by the representatives of Mexico, Cuba and Japan on the need for flexibility in the Committee's working methods, the need to avoid a repetition of the Committee's experience at the end of the forty-fifth session of the General Assembly, and the unacceptable suggestion that consideration of agenda items 111 and 112 should be deferred until the forty-seventh session.

19. Mr. RAE (India) said that he agreed with the Chairman's proposals on the work programme and with the comments made by previous speakers in favour of flexibility in the Committee's working methods and against deferring consideration of agenda items 111 and 112. It was not clear from document A/C.5/46/L.1 when the documentation for agenda item 136 (Financing of the activities arising from Security Council resolution 687 (1991)) would be available but, given the importance of that item, delegations must be allowed sufficient time to study the documents before the item was introduced in the Committee.

20. Mr. MICHALSKI (United States of America) supported the suggestion that consideration of agenda items 111 and 112 should be deferred.

21. Mr. BIDNY (Union of Soviet Socialist Republics) suggested that the Chairman might like to consult others informally, in a broader context than that raised by the suggestion that consideration of agenda items 111 and 112 should be deferred, about the useful idea of discussing certain agenda items on a biennial rather than an annual basis.

22. Mr. SY (Senegal) endorsed the request by the representative of Japan for a further statement on the status of the Committee's documentation. With regard to the suggestion that consideration of agenda items 111 and 112 should be deferred, he questioned whether the Committee had the right to take that course rather than abide by the decision of the General Assembly.

23. The CHAIRMAN said that, if there were no further comments, the Committee would proceed in accordance with the schedule of work as revised to take account of the comments and suggestions which had been made.

24. It was so decided.

25. Mr. FORAN (Acting Under-Secretary-General for Administration and Management) said that he would provide an oral updating of the status of documentation of the Fifth Committee (A/C.5/46/L.1) at the next meeting.

26. The CHAIRMAN said that, in connection with agenda item 116: United Nations Common System, he had received letters from the President of the Coordinating Committee for Independent Staff Unions and Associations of the United Nations System (CCISUA) and the General Secretary of the Federation of International Civil Servants' Association (FICSA), requesting permission to present relevant documents and an opportunity for their representatives to address the Committee. Also, in connection with agenda item 115: Personnel Questions, he had received a letter from the President of the Staff Committee of the United Nations Staff Council asking permission to address the Fifth Committee. The requests were consonant with General Assembly resolution 32/213 and the Committee's practice in recent years. He asked whether the Committee wished to approve those requests.

27. Mr. MICHALSKI (United States of America) requested that the decision should be deferred until a later meeting, since his delegation had not yet received any instructions in that connection and the schedule did not call for those items to be taken up in the near future.

28. The CHAIRMAN said that the decision would be postponed until a later date.

29. He noted that, at the previous meeting, the representative of Ireland had asked for certain information concerning the Organization's financial situation and the payment of assessed contributions. He invited the Acting Under-Secretary-General for Administration and Management to respond to that request.

30. MR. FORAN (Acting Under-Secretary-General for Administration and Management) said that the Controller and his staff were currently finalizing a paper on the financial situation of the Organization for consideration by the Committee in connection with agenda items 109 and 110, and the Secretary-General's forthcoming address to the Fifth Committee would no doubt contain his views on the subject. At the Committee's previous meeting, he himself had referred to the Organization's financial situation as precarious, and the representative of Ireland had asked whether the Committee could, at its next meeting, be provided with a summary of the current situation. While he was ready to give such a summary, he hoped that further discussion of the matter would await the introduction of the aforementioned paper.

31. As of 30 September 1991, unpaid assessed contributions to the regular budget totalled $723.5 million, of which $389.9 million was owed for 1991 and $333.6 million for 1990 and prior years. Also at 30 September 1991, unpaid assessed contributions for peace-keeping operations totalled $518.2 million. Given the extraordinarily high level of unpaid assessed contributions and significant delays in payment throughout 1991, it had been necessary to draw upon the Working Capital Fund and the Special Account to meet current operating requirements. Those cash reserves, together totalling some $236 million, had been completely exhausted by mid-August 1991.

32. As a result, from mid-August on, the Organization had been obliged to borrow, without interruption, from the few peace-keeping funds that possessed cash in excess of their immediate requirements in order to meet both regular budget obligations and the cash requirements of other new peace-keeping operations.

33. He noted, in that connection, that even the funds received in September 1991 from a number of Member States had not been sufficient to make it possible to repay, except to a very limited extent, the amounts borrowed from peace-keeping accounts. The possibility of borrowing any additional funds from peace-keeping accounts was currently extremely limited, as the funds were needed to meet the requirements of those operations. The amounts borrowed from peace-keeping funds in 1991 to date far exceeded any amounts borrowed in the past.

34. There was great concern that there appeared to be a growing complacency on the part of many Member States about the financial situation. The pattern of payments of assessed contributions, particularly for the regular budget, had deteriorated considerably: the 1990 pattern of payments had been less satisfactory than that for 1989 and the 1991 pattern was worse than that for 1990. At the end of September 1989, 64 Member States had paid all their assessed contributions to the regular budget; at the same point in 1990, only 60 Member States had paid in full, and at 30 September 1991, only 57 Member States had paid all their assessed contributions to the regular budget. Of the 102 Member States which had not paid their contributions to the regular budget by 30 September 1991, 61 owed more than the current year's assessment. Thirty-seven Member States had made no payment to the regular budget in 1991.

(Mr. Foran)

35. Another measure of the deterioration was that, at 30 June 1991 less than 40 per cent of the current year's regular budget assessed contributions had been paid, the lowest mid-year percentage since 1982. At 30 September 1991, three-quarters of the way through the year, just under 60 per cent of the year's regular budget assessments had been paid. Furthermore, a number of Member States, which had in the past paid their assessed contributions early and in full, in accordance with their legal obligations, had failed to do so in the current year, and some Member States which had formerly paid their assessed contributions in full had chosen, in 1991, to pay in instalments.

36. As he had noted, unpaid assessed contributions for peace-keeping operations totalled over $518 million at 30 September 1991. The payment of assessed contributions for the four new peace-keeping operations launched in 1991 had not kept pace with the cash requirements for those operations. As a result, it has been necessary to borrow from other peace-keeping funds to meet cash requirements for the United Nations Mission for the Referendum in Western Sahara (MINURSO) and the United Nations Angola Verification Mission (UNAVEM II). The contributions paid to date for those operations, as well as for the United Nations Iraq-Kuwait Observation Mission (UNIKOM) and the United Nations Observer Mission in El Salvador (ONUSAL), were insufficient to meet the expenditure requirements for each of those operations in October.

37. In summary, there was a need for additional cash receipts in October 1991 of $100 million to meet the expenditure requirements of the regular budget and the four peace-keeping operations he had mentioned. Of that amount, at least $50 million was required before the middle of the month.

38. For the reasons he had just outlined, he considered it fair to say that the financial situation of the United Nations was, indeed, precarious.

39. THE CHAIRMAN said that the Committee would have an opportunity to discuss the matter further in connection with agenda items 109 and 110, which would be introduced later in October.

AGENDA ITEM 113: PATTERN OF CONFERENCES (A/46/32)

40. Mr. DANKWA (Chairman of the Committee on Conferences), introducing the report of the Committee on Conferences (A/46/32), said that during the past year the Committee had focused on issues related to the planning, coordination and organization of the meetings programme at Headquarters locations and at the seats of the regional commissions. It had also reviewed various reports from the Secretariat on internal procedures, practices and projected activities in regard to conference servicing.

41. Annex II of the report contained the draft calendar of conferences for 1992-1993 as recommended for adoption by the General Assembly. The changes that had been made in the scheduling and meetings pattern of the Economic and Social Council and its subsidiary organs and the forthcoming United Nations

(Mr. Dankwa)

Conference on Environment and Development scheduled for June 1992 had had a significant effect upon the calendar as compared with that for 1990-1991. If any proposals affecting the calendar were made during the consideration of draft resolutions of the Main Committees at the current session, the Committee on Conferences would meet to discuss their possible effect on the 1992 programme and advise the Assembly accordingly.

42. The Committee had again reviewed the utilization statistics of a core sample of United Nations organs that had been meeting on a regular basis for the past nine years. Overall performance during 1990 had been extremely encouraging, a collective utilization factor of 78 per cent having been achieved. Letters were to be sent to the presiding officers of bodies covered by the meetings statistics, presenting an individualized analysis of each body's utilization factor and, where the analysis warranted, welcoming or urging improvements, with a view to discerning patterns and identifying the reasons for relatively low utilization. The replies received would be presented to the Committee at its next substantive session. Since it had been observed that some subsidiary organs had been unable to make full use of the resources allocated to them, the Committee recommended that the General Assembly should request all subsidiary organs to review their meeting requirements in order to achieve a more effective and coordinated use of conference facilities and services.

43. In its resolution 45/238 A, the Assembly had requested the Committee on Conferences to consider additional elements for incorporation in the new methodology on conference-servicing utilization rates. A preliminary review had indicated that a number of meetings were cancelled because documents were not available. The Committee had accordingly incorporated in the statistics an "availability index" that would identify the percentage of pre-session documentation issued within the six-week deadline established by the General Assembly. The calculation would quantify, in percentage terms, the number of documents available at varying dates prior to the opening of the session.

44. In its continued search for improvements, the Committee had reviewed existing conference resources, services and facilities within the United Nations, and the practices and procedures employed throughout the Organization for providing services and facilities outside the approved calendar. Some thought had been given to the possibility of central planning and coordination of all organizational aspects of conference servicing, with a view to ensuring optimum efficiency and cost-effectiveness. Detailed analysis of that topic would have to await the full implementation of General Assembly resolution 45/264 on the restructuring and revitalization of the United Nations in the economic, social and related fields, but there was evidence of increasing coordination at both intergovernmental and Secretariat levels.

45. At the Secretariat level, the Administrative Committee on Coordination (ACC), at the instance of the Committee on Conferences, was examining possible improvements in the coordination of conferences within the United Nations

(Mr. Dankwa)

system. It was hoped that ACC would submit a report as soon as possible. At the intergovernmental level, the Committee on Conferences, as a subsidiary body of the Assembly, continued to advise the Assembly on the design and implementation of the calendar. Under its terms of reference, however, it had no mandated role with regard to the Economic and Social Council at either the planning or the implementation stage of the calendar, although, on the basis of Council decision 1988/103, the Committee reviewed the Council's draft biennial calendar of conferences and meetings and submitted recommendations thereon to the Council. In essence, therefore, the Committee acted in an advisory capacity at the preparatory stage. However, existing procedures with regard to inter-sessional departures from the approved calendar of the Economic and Social Council and its subsidiary organs did not benefit from coordination by the Committee on Conferences. Formally, it was the Bureau of the Council which decided on any departures, although, in practice, the Bureau had referred requests for such departures to the Committee on Conferences since 1979. The Committee therefore recommended that the Assembly should invite the Economic and Social Council to consider formalizing the procedures for inter-sessional departures by granting the Committee on Conferences authority to act on its behalf when it was not in session, and consulting the Committee on Conferences whenever the Council itself was seized with such requests.

46. Pursuant to paragraph 8 of resolution 45/238 A, the Committee had begun consideration of further measures to improve the overall efficiency and effectiveness of the use of conference-servicing resources by assessing the experience gained and the results achieved to date. Its review had included recommendations on the servicing of meetings, the coordination of the meetings programme, and the provision of documentation, including publications. In order to maximize the utilization of available conference resources, the Secretariat had been requested to schedule meetings, whenever possible, consecutively within one 3-hour meeting period.

47. The Committee had requested the Secretariat to take into account the proposals made and the views expressed on documentation and publications when it prepared its reports on related items for the Committee's consideration in 1992 and had decided to consider the entire matter in more detail in 1992 on the basis of further information.

48. On the question of inter-sessional departures from the approved calendar of conferences and meetings, the Committee noted that changes, especially those involving extensions of ongoing sessions, could disrupt the meetings programme. It therefore urged subsidiary organs to complete their work within the approved period. The guidelines adopted and conclusions reached appeared in paragraphs 77-79 of the report.

49. As indicated in chapter III of the report, the Committee had reviewed the question of meetings of organs and programmes not funded from the regular budget of the United Nations. Meetings outside the calendar of conferences

(Mr. Dankwa)

would continue to be scheduled and serviced on an ad hoc or reimbursable basis. In view of the substantial amount of conference servicing involved, the Committee appealed to the Governing Council of UNDP and the Executive Board of UNICEF to review their meeting and documentation requirements. It would return to the issue as and when necessary, depending on further developments.

50. The Committee had also considered the question of requests for exceptions to section 1, paragraph 7, of General Assembly resolution 40/243 (chap. IV). In accordance with existing procedures, the chairmen of subsidary organs wishing to meet at Headquarters during a regular session of the General Assembly submitted their requests to the Committee on Conferences for consideration and recommendation to the Assembly as appropriate. As noted in paragraphs 100 to 102 of the report, the Committee had decided to advise subsidiary organs to re-evaluate their reporting cycles, and the Secretariat had been requested to explore and report on the possibility of adjusting the cut-off dates for financial information, so that the annual programmes of work of such bodies could be completed prior to regular sessions of the General Assembly.

51. Chapter V of the report covered the Committee's consideration of the programme performance of the Department of Conference Services (DCS) during the biennium 1988-1989, the proposed programme budget for conference and library services for the biennium 1992-1993 and the role of the Committee on Conferences in the review of DCS. The Committee's conclusions and recommendations were set out in paragraphs 122 to 124 of the report. Noting that a change had been made in paragraph 124 after the Committee's adoption of the report, he said that, although he was grateful for the Secretariat's efforts at clarification, he believed that final reports should respect the language and decisions agreed to by the intergovernmental body concerned. The words "which mentions the plan to invite" and the words "during the biennium 1990-1991 to determine whether the productivity and efficiency of the Department could be further enhanced" should be deleted.

52. As indicated in chapter VI of the report, which dealt with the application of new technology to conference servicing, the Committee had summarized the goals in that area as the achievement of improvements in efficiency and cost-effectiveness, including in the quality of the work done and the ability of the Secretariat to produce an increased volume of work with the same staffing resources. The Secretariat was requested to present a report on the extent to which new technology assisted in compliance with the six-week rule for the issuance of pre-session documentation. In the course of the deliberations, it had become clear that there was an uneven application of technologies throughout the system. The Committee advised, therefore, that the applications of new technologies should, to the extent possible, be introduced evenly throughout the United Nations, and requested that it should be informed in future of the instances where that was not achieved and be given an explanation of the reasons involved.

(Mr. Dankwa)

53. The Committee on Conferences had thus examined a broad range of the Organization's activities and practices in the field of conference servicing. At each stage, and for each item considered, it had approached the deliberations with the aim of providing guidance to subsidiary bodies and directives to the Secretariat that would reflect the needs of delegations and the requests of the Assembly and would enhance their collective ability to benefit fully from a consistently high level of conference servicing.

54. Mr. WYZNER (Under-Secretary-General for Conference Services and Special Assignments) said that the remarkable events of recent years and the growing international recognition of the United Nations had led to a renaissance of the United Nations as the primary forum for dealing with the many issues now facing the world. The Department of Conference Services (DCS) was proud of its essential role of facilitating the work of the Organization. Despite the extraordinary demands placed on the staff of the Department in 1991, he was happy to say that it had responded successfully on all occasions. Those achievements, however, had not been without cost. The heightened activity of the Security Council and the overnight processing of its substantial documentation, as well as the release of some DCS staff, such as cartographers and linguists to other areas of the Secretariat, combined with the regular workload, had the Department's capacity for absorption stretched to the limit. He hoped that the Committee would bear those considerations in mind when it considered the items on the pattern of conferences and the programme budget for the biennium 1992-1993.

55. Among the pressing matters considered by the Committee on Conferences during its August 1991 session was the review of the draft calendar of conferences and meetings for the biennium 1992-1993 (A/46/32, annex II). That calendar reflected the efforts of DCS to balance the preferences of intergovernmental bodies with the capacities of the Department's documentation and meeting services, as well as the need to control reliance on temporary assistance. In addition, as the Chairman of the Committee on Conferences had just mentioned, it had been necessary to take into account the United Nations Conference on Environment and Development to be held in June 1992 and to work towards the implementation of resolution 45/264.

56. Moreover, as mandated in General Assembly resolution 45/238, DCS had made progress on the coordination of the conference and meeting activities of the United Nations common system. On its own initiative, it had brought to the attention of the 1991 Inter-Agency Meeting for Language Arrangements, Documentation and Publications (IAMLADP) such matters as the schedules of conferences and meetings of each of the organizations; the use of free-lance staff and the possible inter-agency exchange of language staff; the rates applied to contractual services; and the harmonization of new technologies used in meeting and documentation services. In response to General Assembly resolution 45/248 A, it had also brought up the matter of elaborating unified workload standards for conference-servicing staff in the common system. IAMLADP had unanimously agreed to take concrete measures to reinforce

(Mr. Myzner)

collaboration in those areas, including the establishment of a Geneva-based working group to pursue the development of system-wide workload standards comprising a range of figures to reflect specific work requirements. The results of those efforts would be reported to the Administrative Committee on Coordination for transmission to the General Assembly at its forty-seventh session.

57. With regard to the timely availability of documentation, he recalled that delays in the submission of manuscripts for processing had been identified as one of the leading causes of the late issuance of documents. In response to General Assembly resolution 45/238 B, DCS had initiated the establishment of an interdepartmental group charged with seeking better coordination between author departments and processing services and with identifying means of ensuring more timely submission of documents. Those efforts, together with considerable changes in the production stages, had made it possible to publish certain essential documents in a more timely fashion. Nevertheless, by the start of the General Assembly, DCS had received for processing less than 50 per cent of the pre-session documentation for the forty-sixth session. In view of the steady increase in the volume of documentation over the preceding five years and the post reductions made during the same period, the continued late submission of documents was perhaps not surprising.

58. The Department had welcomed the decision of the Committee on Conferences to review the programme performance of DCS for the biennium 1988-1989, section 32, of the proposed programme budget for the biennium 1992-1993 (A/46/6/Rev.1, sect. 32) and the application of new technology to conference servicing. It appreciated the Committee's remarks with respect to the number of special conferences and their effect on the calendar of conferences; the need to make every effort to reflect in future programme budgets the gains in productivity, efficiency and quality attained through technological innovations; and the increasing need for interpretation services for bodies meeting at Vienna.

59. The Department relied greatly on the expertise of the Joint Inspection Unit (JIU) and would welcome JIU undertaking new reviews or updating earlier ones on such matters as the control and limitation of documentation, translation processes, and publishing practices and policies, including publication in electronic media. In addition, the Advisory Committee on Administrative and Budgetary Questions (ACABQ) had, as always, provided valuable insights into the financial and managerial functioning of DCS. He was proud to say that the Advisory Committee's review of the DCS budget proposals for the upcoming biennium had been generally positive.

60. Referring to the difficulties in evaluating the efficiency of conference services, he pointed out that DCS controlled neither the volume nor the timing of its work. Its output depended on the workload, which could, and did, vary. For example, the workload generated by Security Council resolutions 661 and 687 had often made it necessary to place staff "on alert" for many hours

(Mr. Wyzner)

for meetings that in the end did not take place or which lasted only a few minutes. The apparent output of that staff bore no relation to the time spent.

61. In addition, DCS had incurred unforeseen expenses owing to the authorization given to some United Nations bodies to hold additional meetings subsequent to the establishment of the calendar. Moreover, the return to the practice of holding annual, rather than biennial, sessions had meant an additional financial burden.

62. Consultations were continuing with the International Atomic Energy Agency (IAEA) and the United Nations Industrial Development Organization (UNIDO) regarding the establishment at Vienna of a unified conference service administered by the United Nations. An accord reached during the course of the year with IAEA on the conditions under which the United Nations would provide interpretation services to IAEA had been approved by that body's Board of Governors and would enter into force on 1 January 1992. UNIDO, however, had decided to defer any action regarding the unified service arrangements for Vienna-based organizations until those organizations had had an opportunity to study the detailed cost analysis. It had also recommended that any change in the present conference-service arrangements should be examined in the light of the efficiency, economy and quality of services. As a consequence, the joint advisory committee on conference services at Vienna had resumed its analysis of the conference-servicing requirements of the Vienna-based organizations. A detailed report would be submitted to the Fifth Committee, through ACABQ, during the session, as requested.

63. Concerning the Department's budget estimates, he wished to point out that the final figures set out in section 32 of the proposed programme budget (A/46/6) were low and had passed rigorous scrutiny both within the Secretariat and in ACABQ and the Committee on Conferences. They represented a slim 0.2 per cent real growth and only 8.6 per cent of the total United Nations expenses, when extrabudgetary funding was included.

64. Staff reductions in the 1980s had been premised on the assumption of a lower workload dictated by financial constraints. In fact, since 1990 there had been an upward trend in the demand for conference services. DCS resources were stretched to their limits and optimum efficiency and cost-effectiveness were a daily concern. In that context, the application of useful new technologies and techniques had become even more pressing.

65. During the period 1992-1997, DCS would be using advances in technology and communications to establish a global network of conference and library services. High priority would be given to the phased introduction of an optical disc system for the storage, retrieval and high-speed transmission of conference documents. That system would be operational in Geneva and New York by the end of the first quarter of 1992 and would be further expanded during the biennium 1992-1993.

(Mr. Wyzner)

66. Now that the text-processing units had been fully automated, the primary objective would be to enhance the ability to move documents in electronic form from the drafting through the printing stages. The Department also hoped to extend the Document Records Information and Tracking System (DRITS) to subsystems in the processing units.

67. The DCS Publishing Division would be embarking on a new programme involving the installation of a networked electronic system to create in-house capacity for manuscript preparation, typesetting, proofreading, graphic design and cartography, which would significantly reduce reliance on external printing. It would also be upgrading existing automated plate-making equipment to accept documents electronically. In response to General Assembly decision 45/451, outside printers were now used only when technical requirements could not be met with in-house machinery. Also, as a result of redoubled efforts to improve marketing strategies and techniques, the net revenue from the sale of publications already exceeded $500,000 - a dramatic increase over the $120,000 in net revenue reported for the biennium 1988-1989.

68. Other technological innovations were planned for the Dag Hammarskjöld Library. They included the modernization of the United Nations Bibliographic Information System and, resources permitting, the establishment of a joint New York-Geneva library network of information services.

69. Unfortunately, budgetary constraints would limit the implementation of technological innovations in the translation and editorial services, where networked, multi-function workstations were needed to provide access to a microcomputer-based multilingual database and to the optical disc full-text retrieval system. In that regard, it should also be noted that the United Nations lagged considerably behind a number of specialized agencies and intergovernmental organizations in the area of computer-assisted translation.

70. Mr. SPAANS (Netherlands), speaking on behalf of the Twelve States members of the European Community, said that the Committee on Conferences was potentially an important instrument in improving the administrative and financial effectiveness of the United Nations. The terms of reference of the Committee, as defined in General Assembly resolution 43/222 B, gave it the mandate to determine the ways and means of ensuring optimum utilization of conference facilities and services. While the Twelve fully appreciated the efforts of the Committee in reviewing the calendar of conferences and meetings, they thought that its recommendations could have been formulated more precisely and firmly. Indeed, the report raised some questions about the Committee's effectiveness in helping to rationalize the meetings and conferences of intergovernmental bodies.

71. Conference utilization was a case in point. The 75 per cent benchmark set by the Committee was too low and should be raised to 85 per cent. While the Twelve were pleased to note a slight overall improvement in the conference-servicing utilization rate, they noted that a number of bodies had

(Mr. Spaans, Netherlands)

a utilization rate far below the already modest 75 per cent benchmark. In 1990, the Twelve had asked the Committee to consider measures to reduce the duration and frequency of conferences and meetings of bodies that had a consistently low utilization rate. It appeared from its report, however, that the Committee did not think it had a mandate to propose such measures. For purposes of clarification, the Twelve would welcome another look at the terms of reference of the Committee in the light of recommendations 1, 2 and 3 of the Group of High-level Intergovernmental Experts, as endorsed in General Assembly resolution 41/213.

72. The report also seemed to indicate that the Committee agreed in general to any request for an extension of a meeting of an intergovernmental body or for additional conference facilities. The Twelve wished to reiterate their position that the Committee should take an active role in enhancing the conference calendar, rather than simply rubber-stamping requests. As an intergovernmental body established expressly for that purpose, it was perfectly entitled to review and decide on requests from other intergovernmental bodies.

73. The Twelve wished to see improved arrangements for the planning of world conferences. It would be recalled that the General Assembly had approved a recommendation by the General Committee that there should be an overall limit of five special conferences in a given year. The Fifth Committee should be consulted about the overall mechanism for the scheduling of special conferences. The Twelve also supported the recommendation of the Committee on Conferences that the Economic and Social Council should review the biennialization of its subsidiary bodies. The discussion of the restructuring of the Council's subsidiaries could lead to changes in the pattern of conferences.

74. With regard to meetings of organs and programmes not funded from the regular budget of the United Nations, UNDP and UNICEF should review their meeting and documentation requirements in view of their significant financial implications for the budget of the United Nations.

75. The Committee would recall that, further to the report of the Group of High-level Intergovernmental Experts, it had been intended to take a fresh outside look at the Department of Conference Services during the biennium 1990-1991 to determine whether its productivity and efficiency could be further enhanced. The Twelve would welcome clarification of why that review had not been carried out, and intended to propose the inclusion in the resolution on the pattern of conferences of an urgent request for that fresh outside look.

76. The Twelve wished to recall that the Committee on Conferences was supposed to work closely with ACABQ in preparing the calendar of conferences, as recommended by the Group of 18. The competence of the Committee on Conferences with regard to section 32 of the proposed programme budget for the

(Mr. Spaans, Netherlands)

biennium 1992-1993 meant that it inevitably had a budgetary role. Programme productivity should be evaluated both qualitatively and quantitively. It would then be easier to assess the impact of new technology and the desirable ratio of equipment to staff.

77. The Committee on Conferences had not had a substantive discussion of the question of the control and limitation of documentation. With the introduction of new technology, the Committee's report for the following year should show evidence of improved productivity and reduction of costs in the area of conference servicing. In that connection, there was an urgent need to eliminate publications of minimal usefulness. Member States should also keep any submissions as brief as possible and curb their requests for the circulation of communications as United Nations documents.

78. Mr. DUHALT (Mexico) said that conference services were essential to the functioning of the United Nations. The importance of their activities had been reflected in General Assembly resolution 43/222 B, which had consolidated the functions of the Committee on Conferences and altered its membership. Further improvements in the functioning of the Committee were, however, required. Difficulties resulted from the low level of attendance at its meetings and from the differences which persisted concerning the scope of the Committee's mandate. Some Member States wanted the Committee to have a greater say in the control of conference services and the reduction of expenditure on conference servicing, while others thought that its primary function was to ensure that various bodies were provided with the services they needed. While his own delegation did not think that the Committee on Conferences should become the arbiter of the resources needed by other organs, it believed that its activities in the areas of technical assistance, planning and coordination should be strengthened in order to make the best possible use of the services available. Otherwise the Committee might become merely a forum for rubber-stamping proposals relating to the calendar of meetings.

79. His delegation supported the recommendations made by the Committee in its report. It welcomed the improvement in the overall rate of utilization of conference services, although it maintained its reservations concerning the validity of the methodology used to assess the effectiveness of the use of such services. In that connection, he welcomed the introduction of a documentation "availability index", which would show the timeliness with which the Secretariat distributed the documentation needed for meetings of each organ of the United Nations. The availability of more detailed statistics would be extremely valuable.

80. The Committee on Conferences should devote more attention to the question of meetings of organs and programmes which had their own budgets and whose conference servicing was provided by the United Nations, a question that had both budgetary and political implications.

(Mr. Duhalt, Mexico)

81. His delegation was well aware of the importance of the item before the Fifth Committee. Additional effort was necessary in order to devise a pattern of conferences which would be more rational and efficient.

AGENDA ITEM 104: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS (A/46/5 and Add.1, Add.3-5 and Add.7, A/46/298, 299, 404 and 510)

82. Mr. ZAVELBERG (Chairman of the Board of Auditors), introducing the reports of the Board of Auditors, said that, in addition to submitting reports on those organizations which had annual reporting periods and on the Joint Staff Pension Fund, the Board had prepared interim reports on some organizations with a biennial budget, for which regular reports would be prepared in 1992, after the end of the current biennium. With regard to the latter group, the Board had decided to submit interim reports on the United Nations Development Programme (UNDP) and the United Nations Population Fund (UNFPA) in response to the concern expressed that their change to a biennial budget procedure would delay audit findings of relevance to decision-making, and to repeated requests to put more emphasis on management issues. The special report on the International Trade Centre (ITC) concerned the question of whether or not ITC had to apply United Nations administrative instructions.

83. As requested by the General Assembly in paragraph 13 (a) of resolution 45/235, the Board had evaluated the efficacy of specific measures taken by administrations to implement previous recommendations of the Board. The Board had continued its practice of providing a summary of its principal findings, conclusions and recommendations, with an indication of relative urgency, but considered it difficult to provide any timetable for remedial action, as requested in paragraph 22 of resolution 45/235, since that was within the discretion of the organizations concerned. Accordingly, it was for the various administrations to make such information available. The Board had taken particular care to provide audit coverage of all extrabudgetary expenditures, including trust funds.

84. The Board had provided information on the liquidity position of those organizations for which regular reports had been prepared, and similar information would be provided for other organizations in 1992. The Audit Operations Committee of the Board had maintained a continuing dialogue with the administrations of the various organizations and with their internal audit services, and had exchanged information with the Joint Inspection Unit. The study requested in paragraph 5 of resolution 45/235 on accounting principles and standards for consistent application in the United Nations system had been prepared by the Panel of External Auditors, and would be considered under a separate agenda item.

85. Turning to the Board's findings, he said that the bulk reporting of other trust funds in the financial statements of the voluntary funds administered by the United Nations High Commissioner for Refugees (UNHCR) (A/46/5/Add.5) did

(Mr. Zavelberg)

not permit adequate disclosure. In order to improve transparency, the reporting of "Other trust funds" in schedule 1 should be expanded to disclose separately any trust fund with a favourable balance of $US 500,000 or above at year end. The Board had noted that supplies valued at some $US 300,000 stored by UNHCR in a host country pending transshipment had allegedly been confiscated by customs officials of the country in question. UNHCR should take appropriate measures to recover the confiscated goods, and ensure that warehousing was available prior to the shipment of goods. A review by the Board of cases of fraud and presumptive fraud had revealed internal control weaknesses in some field offices and some implementing agencies, as a result of which the Board had recommended the strengthening of procedures for the management of cash resources in field offices.

86. With regard to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) (A/46/5/Add.3), the Board had noted that the total amount of outstanding pledges was equal to about 16 per cent of total expenditure incurred in 1990. Outstanding pledges should be disclosed in a note to the financial statements. Furthermore, an average of $US 20 million in cash was kept available in current and call accounts for unforeseen events. Such funds should be placed in higher-yielding time deposits to the extent possible.

87. The United Nations Institute for Training and Research (UNITAR) (A/46/5/Add.4) had not fully adhered to the rules and regulations on budgetary controls. Deficits had been incurred in the General Fund and the Special Purpose Grants Fund. Vigilance must be exercised in the monitoring of such expenditures to ensure that they were incurred only within approved budget and released allotment advices. In fact, expenditures amounting to more than $US 200,000 had been incurred before allotments had been issued. The Board recommended that the system of allotment advices should be reviewed, and that the procedure for reimbursing expenditure in field offices should be improved. Given the downward trend in the number of donor countries, realistic assumptions should be made with regard to revenue resources in the preparation of budget proposals.

88. Turning to the various interim reports prepared by the Board, in the first place that on UNDP (A/46/5/Add.1), he said that none of the standard formats used as a basis for agreements between UNDP and its executing agencies ensured the appropriate degree of accountability. In particular, the agreements did not ensure that adequate information regarding audit findings was made available to UNDP and its external auditor, so that it was not possible to assess properly how funds had been spent by executing agencies.

89. It was essential for all executing agencies of UNDP to sign basic agreements covering their responsibilities in executing UNDP-funded projects. Existing agreements should be amended so as to ensure that both the accounts and the effectiveness and efficiency of project management could be audited by the external auditors. Audit findings should be available to both UNDP and

(Mr. Zavelberg)

its auditors. UNDP itself should be able to review project implementation by its executing agencies.

90. The Board's analysis of the Office for Project Services had revealed considerable overexpenditure on some projects, while others had unspent balances. That indicated deficiencies in project management. The number of projects undertaken by the Office should be strictly controlled so that management capacity was not exceeded.

91. The Economists for Africa Programme of UNDP had suffered from various deficiencies since its inception. Despite the lack of reliable results, it had been extended, yet even after five years of implementation no adequate evaluation of the programme was available. New development initiatives should be designed in such a way that reliable results could be obtained during a trial period as an essential prerequisite to a decision as to whether to proceed with full-scale implementation.

92. Commenting on the report on UNFPA (A/46/5/Add.7), he said that the designation and execution of certifying and approving functions in field offices were flawed in many cases and that there was considerable weakness in supervision by headquarters in that regard. The Board had recommended appropriate improvements.

93. Lastly, with regard to the report on ITC (A/46/5), he said that, although the Board had repeatedly raised the question of whether or not ITC had to comply with United Nations administrative instructions, no significant attempt had been made to find a solution. The uncertainty constituted a serious weakness in the functioning of the internal control system and there was an urgent need to decide whether ITC had to comply with United Nations administrative instructions, or, if not, what other directives should be followed.

The meeting rose at 1.30 p.m.

UNITED NATIONS

General Assembly

FORTY-SIXTH SESSION

Official Records

FIFTH COMMITTEE
4th meeting
held on
Tuesday, 8 October 1991
at 10 a.m.
New York

SUMMARY RECORD OF THE 4th MEETING

Chairman: Mr. MUNTASSER (Libyan Arab Jamahiriya)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

CONTENTS

AGENDA ITEM 113: PATTERN OF CONFERENCES (continued)

AGENDA ITEM 104: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS (continued)

ORGANIZATION OF WORK

This record is subject to correction.
Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, Room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

91-56376 3887S (E)

Distr. GENERAL
A/C.5/46/SR.4
10 October 1991

ORIGINAL: ENGLISH

The meeting was called to order at 10.30 a.m.

AGENDA ITEM 113: PATTERN OF CONFERENCES (continued) (A/46/32)

1. Mr. BENNETT (United States of America) said that limits on the use of conference services had been introduced in order to make intergovernmental decision-making more effective, rather than to save money. Despite some progress, the heavy schedule of meetings and the enormous volume of documentation made it almost impossible for the Organization to act decisively on most issues. A meaningful rationalization of decision-making was needed.

2. Regrettably, most of the recommendations made by the Group of High-level Intergovernmental Experts in the area of conference servicing had not been implemented. Responsibility for that lay neither with the Committee on Conferences nor with the Department of Conference Services (DCS); effective reform required the full cooperation of all United Nations bodies and offices.

3. The Committee on Conferences could not function effectively given the institutional constraints. Its recommendations, while useful, would, if implemented, lead to only marginal improvements. Documentation submitted to the Committee on Conferences indicated that too many United Nations bodies required unacceptably high levels of conference resources, and that extraordinary inefficiency in the use of such resources occurred. For example, the Trade and Development Board of UNCTAD had cancelled 40 per cent of the meetings scheduled for its March 1991 session.

4. The Committee on Conferences had noted the heavy demands for conference servicing placed on the United Nations regular budget by the governing bodies of the United Nations Development Programme (UNDP) and the United Nations Children's Fund (UNICEF). Efforts by those two bodies to streamline their agendas and rationalize their servicing requirements had not been serious or effective. Both UNDP and UNICEF should either fully reimburse the United Nations for the conference services it provided or take steps to limit their requirements. Specifically, the question of the continued provision of summary records to the Governing Council of UNDP and the Executive Board of UNICEF should be addressed.

5. Several delegations had noted that the review of DCS called for in the final report of the Secretary-General on the implementation of resolution 41/213 (A/44/222) had not yet taken place. Accordingly, his delegation proposed that the General Assembly should authorize a management study of the Department during the coming year. If it was necessary to use outside consultants to conduct the study, the costs incurred should be covered by redeploying resources requested for DCS for the biennium 1992-1993.

6. The review should consider, in particular, the potential costs and benefits of adopting various new technologies, an area in which there appeared to be major shortcomings. A piecemeal approach to implementation of new

(Mr. Bennett, United States)

systems, rather than an overall shortage of funds, seemed to be responsible for the minimal efficiency gains and economies reported. Resources had been scattered among a number of duty stations rather than being concentrated in high volume locations, such as New York. While a modern computer system had been authorized for the Economic Commission for Africa, DCS at Headquarters did not have enough personal computers for its staff. Workload standards should also be reviewed. Workload requirements for General Service staff in the Department should be set at the level required by employers paying the best prevailing wage.

7. Far-reaching steps were needed if improvements in the use of conference services were to be realized. Previous efforts had failed because of divergent views among delegations, some of which viewed rationalization of the intergovernmental decision-making process as an attempt to limit the Organization's role in solving international problems. While his delegation did not challenge that role, the process was out of control. Conferences and meetings had become ends in themselves.

8. The time had come to break the cycle. His delegation was increasingly pessimistic about the chances for success in the absence of changes in working methods. The proliferation of bodies, the increasing complexity of agendas and the enormous volume of paper had reached a point where movement on most issues was almcst impossible. Each subsidiary organ of the General Assembly, the Trusteeship Council and the Economic and Social Council should review its working methods and conference-servicing requirements and the Committee on Conferences should monitor and report on progress achieved.

9. The Fifth Committee could set an example by rationalizing its own programme of work, which had reached unmanageable proportions. Every year the suspension of the General Assembly was delayed to enable the Fifth Committee to complete its work. Accordingly, his delegation proposed that the Committee should, as a first step, in rationalizing its agenda, schedule substantive consideration of the pattern of conferences on a biennial basis. Such a change would permit the Committee on Conferences to hold one substantive session every two years, with a one- or two-day meeting in alternating years to consider routine administrative matters. Such a change would not undermine the Committee's important monitoring role. Similarly, substantive debate on personnel matters should be biennialized. Proposals from other delegations for streamlining the Committee's work would be welcome. By taking decisive action at the current session, the Committee could set a standard for other United Nations bodies to follow.

10. Mr. SIGURDSSON (Iceland), speaking on behalf of the five Nordic countries, said that it was important for Member States to use conference-servicing resources in the best possible way since conference and library services accounted for almost one fifth of the regular budget. The Nordic delegations had noted with appreciation the trend towards better utilization of conference services, with an increase to an average utilization

(Mr. Sigurdsson, Iceland)

rate to 78 per cent in 1990. Nevertheless, one third of United Nations organs still used less than 75 per cent of their services. Every United Nations organ should be able to reach, and exceed, that modest level. The three organs that had used less than 54 per cent must improve their ability to predict their conference-servicing needs.

11. Given that the current methodology on utilization of conference services did not always provide a clear picture of actual utilization, the Nordic delegations welcomed the introduction, on an experimental basis for three years, of a new methodology, to run parallel with the existing one. The Nordic countries noted the attempt to even out the calendar of conferences in order to make better use of facilities, and supported the recommendation by the Committee on Conferences that the Economic and Social Council should be requested to resume its consideration of the biennialization of meetings of its subsidiary organs. With regard to the possibility of central planning and coordination of conference servicing, the Nordic delegations supported the decision of the Committee to invite the Economic and Social Council to consider granting it authority to change the Council's calendar of conferences, where appropriate, when the Council was not in session. Further, the Nordic delegations supported the recommendation that the Economic and Social Council should discontinue summary records for its sessional committees and for some of its subsidiary bodies.

12. With respect to meetings of organs and programmes not funded from the regular budget of the United Nations, the Nordic delegations supported the appeal to the Governing Council of UNDP and the Executive Board of UNICEF to review their requirements in the light of their significant financial implications.

13. The Nordic countries urged all United Nations organs to respect the limits established on documentation and called upon Member States to exercise restraint in their requests for the circulation of communications as official documents. Some of the proposals put forward in paragraph 49 of the report of the Committee on Conferences regarding measures to improve the effectiveness of the use of conference-servicing resources were interesting, as was the initiative to establish an interdepartmental working group in order to investigate delays in pre-sessional documentation.

14. The Nordic delegations looked forward to the report of the Administrative Committee on Coordination on improved coordination of conferences, and welcomed the adoption by the Committee on Conferences of guidelines on inter-sessional departures from the approved calendar. The utilization of conference services by subsidiary organs of the General Assembly which requested conference services during the regular session of the General Assembly as exceptions to the general rule should be subjected to careful scrutiny.

(Mr. Sigurdsson, Iceland)

15. New technology should be applied to conference services throughout the system with a view to improving efficiency and cost-effectiveness. The Nordic delegations noted the Secretariat's efforts to improve the methodology for programme performance and looked forward to the evaluation of DCS referred to in the final report of the Secretary-General on the implementation of resolution 41/213 (A/44/222).

AGENDA ITEM 104: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS (continued) (A/46/5 and Add.1, Add.3-5 and Add.7, A/46/298, A/46/299, A/46/404 and A/46/510)

16. Ms. BEAULIEU (Canada) complimented the Board of Auditors on its competent and professional work and on its reports (A/46/5 and Add.1, Add.3-5 and Add.7). Her delegation supported the many useful recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) (A/46/510).

17. Surely, all delegations would support a United Nations which delivered its programmes and made the best use of its resources rather than one which did not do so. But the performance of an organization could only be measured by financial statements which provided reliable information and that performance could only be improved by continual review. Continued attention to the item by the Fifth Committee and full implementation of the recommendations by agencies would improve their performance and thus increase support for United Nations activities.

18. Her delegation would welcome the study on the development of the common accounting standards proposed by the Panel of External Auditors, since it would result in financial statements which were easier to understand and which facilitated comparability. Since financial information must be timely, her delegation had never supported the move towards biennialization of audited financial statements. The proposed study should consider that point in its review of users' needs.

19. The issue of qualified audit opinions was again a problem. Although audited statements were not required in 1991 for the United Nations Population Fund (UNFPA) and the United Nations Development Programme (UNDP), the auditors had indicated that a qualified audit opinion was likely for the 1990-1991 audit since those organizations had not yet put in place procedures to obtain audited statements from executing agencies. Their administrations should take immediate action to resolve the problem.

20. With regard to the report of the Secretary-General on the question of unliquidated obligations (A/46/404), her delegation understood the need for flexibility in the budgeting of long-term projects but cautioned against loss of control over project costs and implementation. A system which allowed appropriated funds to be carried forward into succeeding bienniums until projects were completed could be acceptable only if proper controls were implemented.

(Ms. Beaulieu, Canada)

21. It was encouraging that the Board had provided interim reports focused on management issues. Such issues must be addressed immediately in order to prevent any recurrence of the instances of inefficiency detected by the auditors and to prevent loss of control over funds. Other issues were not unimportant but could be dealt with by the administrations of the organizations concerned. The financial management and control problems noted in the report on the Office of the United Nations High Commissioner for Refugees (UNHCR) were a source of concern. Since UNHCR was a decentralized body, effective controls must be implemented at the field offices to prevent abuses or unintentional losses. Several project management deficiencies had been noted, especially in relation to the UNDP agreements with executing agencies: not all agencies had signed agreements, and in any event the agreements did not include such conditions as the right to audit. All agreements with agencies must stipulate the necessary controls. The audit of the UNDP Office for Project Services had identified a lack of control over project budgeting and performance; the UNDP Administration should implement the Board's recommendations, as indeed should the administrations of all the organizations covered by the Board's reports.

22. Her delegation appealed to the Committee to support a draft resolution on the item urging the administrations to correct the deficiencies which had been observed, requesting the auditors to continue their efforts with regard to economy, efficiency and management issues, and approving the study on common accounting principles.

23. Mr. GOUDYMA (Ukraine) said that the Board of Auditors had done good work and had rightly concentrated not only on uncovering violations of the financial rules but also on making recommendations to improve effectiveness and efficiency. His delegation supported the recommendations contained in the reports of the Board and of the Advisory Committee, which described many such violations in United Nations organizations and programmes.

24. Of particular concern were the financial shortcomings of the United Nations Institute for Training and Research (UNITAR), noted in paragraph 12 of the ACABQ report (A/46/510). The situation required action by the UNITAR Administration. Equally alarming were the deficiencies in UNHCR, including cases of theft, identified in paragraphs 93-100 and 101-108 of the Board's report (A/46/5/Add.5). The questions raised by the Board required urgent action by the Executive Committee of the High Commissioner's Programme. There were also financial shortcomings in other funds and organs, in particular the United Nations Children's Fund (UNICEF) and the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).

25. In the case of UNDP, the Board's recommendation on the need for executing agencies to bear increased responsibility for project implementation and to conclude standard agreements with UNDP was very much to the point.

(Mr. Goudyma, Ukraine)

26. Some of the violations of the financial rules indicated a dismissive attitude towards earlier recommendations on the part of the administrations concerned. The Secretary-General and the executive heads should make a careful analysis of every failure to comply with such recommendations, in accordance with the request made in paragraph 13 (a) of resolution 45/235, and then take action to correct such failures. The staff members concerned bore personal administrative, and sometimes material, responsibility for the losses caused by their negligence.

27. Member States, particularly those represented in the governing bodies of the organizations concerned, could play an important role in securing improvements by insisting that the administrations carry out their responsibilities. Other ways of improving the financial and managerial aspects of United Nations activities included control of the payment of increments and allowances, investigation of abuses in the reimbursement of income tax, and strict observance of the financial rules concerning unliquidated obligations. It was to be hoped that the discussion of the item in the Committee would help to eliminate the Organization's financial shortcomings.

ORGANIZATION OF WORK

28. Mr. TIEWUL (Secretary of the Committee), responding to a request made by the representative of Japan at the previous meeting, said that the note on status of documentation (A/C.5/46/L.1) had been revised by hand and photocopies were available to members of the Committee.

29. Mr. INOMATA (Japan) thanked the Secretariat for revising the note and said that his delegation had not been seeking any preferential treatment for the Fifth Committee. Where the provision of documents was concerned, the Secretariat must bear in mind the needs of other Committees as well.

30. Mr. BELHAJ (Tunisia) said that his delegation was still unhappy about the situation. The Second and Third Committees had already had to adjourn meetings because documents were not ready. In fact, the six-week rule was never respected in any Committee. His delegation had heard of cases where documents had been sent for editing before July but could not be dealt with because editors were on leave or on mission until September. The Secretariat, especially the services concerned with the issue of documentation, must make greater efforts, for delegations needed time to study documents which were often long and complicated.

The meeting rose at 11.30 a.m.

A/C.5/
46/SR.
5

UNITED NATIONS

General Assembly

FORTY-SIXTH SESSION

Official Records

FIFTH COMMITTEE
5th meeting
held on
Thursday, 10 October 1991
at 10 a.m.
New York

SUMMARY RECORD OF THE 5th MEETING

Chairman: Mr. MUNTASSER (Libyan Arab Jamahiriya)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

CONTENTS

AGENDA ITEM 107: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993

AGENDA ITEM 108: PROGRAMME PLANNING

Address by the Secretary-General

AGENDA ITEM 104: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS (continued)

This record is subject to correction.
Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, Room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

91-56444 3909S (E)

Distr. GENERAL
A/C.5/46/SR.5
14 October 1991

ORIGINAL: ENGLISH

The meeting was called to order at 10.35 a.m.

AGENDA ITEM 107: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993 (A/46/3, A/46/6/Rev.1, A/46/7)

AGENDA ITEM 108: PROGRAMME PLANNING (A/46/16 and Add.1, A/46/173 and A/46/330)

Address by the Secretary-General

1. The SECRETARY-GENERAL, introducing the proposed programme budget for the biennium 1992-1993 (A/46/6/Rev.1), said that he would be remiss in his duty as Chief Administrative Officer of the United Nations if he did not also refer to the extremely serious financial crisis which the United Nations was again facing. The financing of the programme budget was, after all, a prerequisite for its implementation. In adopting it, Member States clearly established their responsibility to provide a means for its implementation.

2. The programme budget for 1990-1991 had been adopted by consensus, and Member States had pledged to pay their contributions in full and on time as part of the reform process initiated by the General Assembly in resolution 41/213. However, as of 1 October 1991, unpaid assessments to the regular budget totalled $723.5 million, or over three quarters of the $962.7 million due for 1991. Of the amount unpaid, $389.9 million related to 1991 and $333.6 million to prior years. In other words, just a little more than half of the 1991 assessment had been received by the beginning of the last quarter of the year, and the arrears from previous years were equivalent to three months' expenditure.

3. The Financial Rules and Regulations of the United Nations called for the payment of assessments in full within 30 days of receipt of notice. If the Rules and Regulations were not adequate, an alternative framework for the sound financial planning of United Nations activities should be worked out. Fortunately, 15 Member States had paid some $195 million since 1 October 1991; United Nations cash requirements for the regular budget were thus covered until close to the end of November. That did not, however, in any way obviate the need to find a permanent solution to the timely payment of assessments, both towards the regular budget and towards peace-keeping activities.

4. In making the budgetary proposals now before the Committee, he had been particularly conscious of the need to produce a programme budget that could command the full support of Governments, in a spirit of consensus. He trusted that the Committee would work towards the adoption of a consensus programme budget.

5. In view of the fact that additional responsibilities were frequently placed upon the Organization during the course of a biennium - responsibilities which Member States often expected the Secretary-General to carry out within existing resources - he considered it especially important to

(The Secretary-General)

ensure that adequate budgetary provisions were made for the biennium 1992-1993 so that the Organization could indeed implement effectively the programmes mandated by the General Assembly.

6. The biennium 1992-1993 would be the first period covered by the new medium-term plan for the period 1992-1997. In formulating his budget proposals for the biennium, he had paid particular attention to the five broad priorities that should guide the work of the Organization during those two years, namely, the maintenance of international peace and security, the economic development of developing countries, the economic recovery and development of Africa, the environment, and international drug control. Regarding the priority for Africa, the Committee should note that proposals had been made for the implementation of a new programme on Africa, focusing on its critical economic situation, recovery and development.

7. His budget proposals had been formulated after a thorough process of internal review, bearing in mind the constrained budgetary parameters within which Member States expected the Organization to function. The resources requested were the minimum required to implement the proposed programmes. While decisions regarding the overall level of the budget were the prerogative of the Member States, it was his duty to bring to the attention of the Committee what he perceived as the likely consequences for effective programme delivery if a severely reduced budget was adopted. His representatives would be available to explain fully the basis of those proposals to the Committee as it considered each budget section.

8. As the division between East and West ended, immense possibilities were opening up for the United Nations to play a more dynamic and active role, not least in the area of preventive diplomacy, a matter to which he had referred in some detail in his annual report (A/46/1). Such a role would require a programme budget which afforded the Secretary-General some flexibility to meet the new demands placed on the Organization. In recognition of that fact and in the interests of maintaining overall budgetary restraint, he had proposed a modest increase of 0.9 per cent.

9. As he had stated on many occasions, reform of the Organization must be a continuing process, subject to constant review, in order to ensure that the Organization remained capable of attaining the objectives for which it had been established. In considering the reports before it, it was important that the Committee should not pursue reform as an end in itself or purely as a means of cost-saving. It was particularly critical to avoid such an approach at the present time, when the Secretariat was being required to undertake several large-scale operations that required trained professionals and managers in the immediate aftermath of substantial staff reductions.

10. In that connection, he wished to stress his enduring satisfaction that the staff of the Organization had consistently responded effectively to challenge and had shown exemplary dedication, talent and adaptability, even under the most difficult circumstances.

(The Secretary-General)

11. The Committee's agenda was a heavy one. In addition to the proposed programme budget for 1992-1993, it would be considering a number of other major financial items, not least that relating to the scale of assessments. On the personnel side, there were several items that affected not only the Secretariat but also the entire United Nations common system. He would follow the progress of the Committee's work with great interest, and he wished it all success in its deliberations.

12. Mr. MSELLE (Chairman, Advisory Committee on Administrative and Budgetary Questions) said that the Fifth Committee should give high priority in 1991 to the question of the financial crisis of the United Nations. The time had come for all Member States to work together and in their own Governments to determine whether there was anything else the United Nations should be required to do so that it could receive full payments on time from all Member States. At the height of the most recent financial crisis in 1986, it had been said that the problem involved decision-making and a lack of confidence in the United Nations. Subsequent developments had shown that that claim was no longer valid. At the forty-fourth session of the General Assembly, every decision involving the budget had been accepted without a vote. Furthermore, extensive use was being made of the United Nations to solve international conflicts through the establishment of peace-keeping operations and recourse to the good offices of the Secretary-General at an unprecedented rate. Paradoxically, the payment pattern of Member States had actually worsened.

13. Assessments relating to the budgets of the United Nations were binding on all Member States once there was agreement on the programmes to be implemented. The cost of United Nations activities was very much less than that of comparable operations at the national level. No country, big or small, should place itself in a situation where it could be criticized for calling for expensive programmes and activities for which it could not pay in full and on time.

14. The practice of borrowing from other funds had created the impression that there was no crisis and that it was business as usual at the United Nations. Such was not the case. It might be useful for the Secretariat to inform Member States of the full effect of late payments on the implementation of programmes and of the adverse effect of temporary borrowing on the activities for which the borrowed funds had been authorized.

15. The current, long-hoped-for improvement in the image of the United Nations would not last in a climate of financial instability. If the Secretary-General were to stop implementing a mandate pending receipt of contributions because there were no more funds from which to borrow, it would be tremendously damaging to the reputation of the United Nations. He did not believe that the membership of the United Nations should wait for that to happen.

16. Initial estimates for the regular budget amounted to $2,362.9 million gross and $1,960.7 million net. They reflected a nominal increase of

(Mr. Msella)

10.7 per cent over the revised appropriations for 1990-1991 and a real increase of 0.9 per cent. About $744 million had already been assessed on Member States for peace-keeping operations in 1990-1991; if voluntary contributions were included, the total already exceeded $800 million. Extrabudgetary funds for technical cooperation programmes and other activities amounted to $3,083.6 million, as compared to the $2,547.5 million included in the initial estimates for 1990-1991 - an increase of about 21 per cent. On that basis, it was reasonable to conclude that, for the biennium 1992-1993 total United Nations resources to be made available for regular budget activities and extrabudgetary and peace-keeping operations were likely to exceed $6 billion.

17. Total staff costs under the regular budget were estimated at $1,482.1 million. Excluding peace-keeping operations, the combined regular budget and extrabudgetary estimate for staff costs was $2,015.5 million. A total of 10,129 posts were proposed for the regular budget - a net increase of 81 posts over the 1990-1991 authorization. For extrabudgetary activities, the preliminary estimate was 4,076 posts. With respect to peace-keeping operations and related services, about 14,000 positions for military personnel, military support services, observers and civilian police had already been estimated for current operations. The corresponding estimate for international and local staff was about 3,000 positions, for a combined total of roughly 17,000. As of 1 October 1991, the combined total of military and civilian encumbered positions was about 13,000.

18. The dramatic increase in United Nations activities had raised questions about the structure and management capacity of various Secretariat units. For example, information management and the provision of accurate and timely data was becoming an issue of serious concern to the Advisory Committee. The tremendous volume of activities was taxing to the limit current procedures, which were often manual, laborious and therefore inadequate. It was not surprising that errors had become more common in published reports. The Advisory Committee trusted that the current programmes of technological innovations in many Secretariat operations would increase productivity and efficiency.

19. As mentioned in paragraph 85 of the report of the Advisory Committee (A/46/7), the rapid expansion of United Nations activities had made it necessary to prolong the sessions of certain committees and commissions, causing increasing difficulties for their members. The time had come to consider that problem, and the Secretariat had been requested to study the matter and to report to the General Assembly with such recommendations as might be appropriate.

20. The expansion of United Nations activities - in particular, peace-keeping and emergency operations - had led to questions about coordination, about structural reform and about how to deal with duplication and with the question of proper distribution of responsibility. Proposals had therefore been made for streamlining the Secretariat and for the establishment of new Secretariat

(Mr. Msella)

structures. He hoped that those proposals would be debated openly and extensively and would be agreed upon by the Member States. It was important to avoid past mistakes. No amount of reshuffling of the various units of the Secretariat would have lasting value unless Member States acknowledged and addressed their own mistakes.

21. With respect to the proposed programme budget for the biennium 1992-1993, the Advisory Committee welcomed the modest changes that had been made to improve the budget document. It was less verbose and easier to read, although it was not always easy to understand. Nevertheless, the new structure corresponded more closely to the major programmes of the medium-term plan, and the calculation of inflation was now done after comparing proposed estimates with previous requirements at comparable prices. A great deal, however, remained to be done. The methodology needed extensive re-examination. It might now be time to limit, and in some cases abandon, the use of the concept of non-recurrent resources in calculating growth. It would also be a good idea to re-evaluate the adequacy of the current method of estimating personnel requirements by using posts, as well as the requirement that the General Assembly must approve all post reclassifications.

22. The Advisory Committee was particularly concerned about the management and control of funds for extrabudgetary activities, especially those which were not under legislative guidance. Schedule XIX of the interim accounts showed an expenditure of $207 million in 1990 for general trust funds, the bulk of which was for emergency operations. Extrabudgetary funds were also having a growing impact on activities financed from the regular budget. Donor demands for reporting and accounting were placing a heavy administrative and management burden on Secretariat units, and the Secretariat was asked to ensure that donor requests for setting up new accounts were compatible with procedures laid down in the financial regulations. With respect to the Office of the United Nations High Commissioner for Refugees (UNHCR), the Advisory Committee had recommended consultations with donors in order to streamline reporting and reduce administrative costs. The Advisory Committee's review indicated several instances in which no consistent procedure was being followed to charge a fair share of support costs to extrabudgetary funds. To avoid adverse effects on the implementation of activities financed from the regular budget, it had requested the establishment of policy guidelines to ensure adequate reimbursement.

23. In order to avoid serious disagreement among Member States and unwarranted criticism of the Secretariat, it was necessary to reach agreement on the relationship between the budget and the outline. It was essential for all concerned to understand that, under the present budgetary procedure, the outline was not, in nominal terms, an absolute ceiling.

24. General Assembly resolution 41/213 had ushered in a new era of budgetary cooperation among all Member States that had culminated in the adoption of all budget proposals at the forty-fourth session without a vote. The recent actions of certain Member States vis-à-vis the Secretariat threatened to

derail that cooperation and might thus have the effect of undermining the confidence of the majority of the members of the General Assembly. It would be best for all concerned not to revive old conflicts.

25. There had been recent suggestions that the Secretariat should be allowed greater flexibility in managing United Nations resources, for instance in the third paragraph on page 18 of the report of the Secretary-General on the work of the Organization (A/46/1) and in paragraphs 22 and 32 of the report of the Committee on Programme Coordination (A/46/16). To avoid widespread disagreement and confusion in implementing the budget, it was necessary for Member States to decide the extent to which additional flexibility should be granted and the procedures to be followed in redeploying funds already authorized by the General Assembly. Without specific guidelines, attempts by the Secretariat to reallocate funds appropriated for specific programmes and activities at the request of one group of Member States might meet with strenuous opposition from other Member States.

26. On the basis of its detailed examination, the Advisory Committee was recommending a reduction of $43,382,100 in the expenditure estimates, of which $2,152,700 was provisional. In percentage terms, that reduction amounted to about 1.7 per cent of the proposed estimates of expenditures. While he would, as usual, explain the recommendations in detail as each section was taken up by the Fifth Committee, he wished to explain in broad terms the position of the Advisory Committee. With regard to the proposed 0.9 per cent increase in the rate of real growth, it was the view of the Advisory Committee that, since the General Assembly had not yet adopted zero growth as a mandatory benchmark for United Nations budgets, it could not be guided by that concept. Also, while the recommended reductions might appear large in absolute numbers, in percentage terms they represented less than many of the Advisory Committee's previous recommendations.

27. The general reduction of $13,343,900 reflected the Committee's view that there was no justification for including all savings related to past budgets in the initial proposals as was currently done. A similar recommendation had been made in connection with the budget for the biennium 1988-1989, when he had explained at length the shortcomings of the current methodology and assured representatives that the recommendation would not adversely affect the ability of the Secretariat to implement programmes. He wished to stress that, in that case, a saving of $35 million had been realized in addition to the reduction of $50 million adopted on the recommendation of the Advisory Committee.

28. The reduction of $4,822,900 under temporary assistance was due to the recosting of certain requirements and was fully explained in paragraphs 56-58 of the Advisory Committee's report. The reductions under travel and printing and other reductions under various sections of the budget, totalling $25,215,300, were based either on past programme performance or on the belief that fewer resources could be allocated without jeopardizing the activities concerned.

(Mr. Msella)

29. The Advisory Committee had not applied the general recommendations to all the regional commissions or to section 24, Technical cooperation. He would explain that decision when those sections were discussed by the Fifth Committee. No one should read political or other motives into that or other recommendations of the Advisory Committee.

30. With respect to personnel matters, the Advisory Committee recommended a net increase of 63 posts, as compared to the 81 posts proposed by the Secretariat. Of the 60 proposed upward reclassifications and the 1 proposed downward reclassification, the Advisory Committee had recommended acceptance of all but 13.

31. Programme managers should not be concerned that the Advisory Committee's recommendations would adversely affect the implementation of programmes under their control. No instance could be given to substantiate such claims. Indeed, savings had always been realized at the end of a biennium regardless of the size of the reductions recommended by the Advisory Committee. Furthermore, since the budget was assessed annually on the basis of performance, there was nothing to prevent the Secretariat from indicating to the Advisory Committee that its assumptions were incorrect. Some delegations seemed to feel that more resources meant more productivity, but that was not always the case. Efficiency could lead to higher productivity with fewer resources.

32. He also cautioned against the argument that the Advisory Committee's recommendations would somehow affect the Organization's liquidity situation. As he had said in 1987, those Member States which had paid on time should not be overtaxed by over-budgeting in order to maximize cash flow. The Secretariat did not follow that procedure, but the liquidity argument would risk implying that that was one of its goals.

33. Rather than commenting on everything contained in the report of the Advisory Committee, he had concentrated on the financial situation because he believed it was time to come to grips with that question. The budget and programmes that were approved would be compromised if the pattern of payments did not improve.

34. The United Nations stood at a critical point in its history. Member States must be willing to back their high hopes for the Organization with prompt provision of the resources necessary to meet the challenges ahead. For its part, the Secretariat, and its leadership, which many believed was saddled with an unwieldy and cumbersome structure and methods of operation, must be willing to be bold, creative and actively engaged in the pursuit of administrative excellence, so that the Organization could be transformed into an effective and efficient instrument for positive change.

35. Ms. BITTENCOURT BERENGUER (Chairman of the Committee for Programme and Coordination), introducing the report of the Committee for Programme and Coordination (A/46/16 and Add.1) said that, in its review of the proposed

(Ms. Bittencourt Berenguer)

programme budget for the biennium 1992-1993, the Committee for Programme and Coordination (CPC) had focused on programmatic content and the relationship between programmes and resources, which translated into capacity for programme implementation. For most sections of the budget, programmes of work had not been reviewed by the appropriate intergovernmental bodies, and, in that connection, CPC stressed the importance of such bodies fulfilling their mandated roles in coordination with the relevant Secretariat units. CPC had noted that the process of restructuring in the economic and social sectors might affect the proposed programme budget, which had been prepared within existing structures. It had also reaffirmed that the distribution of resources should enable the Organization to fulfil its objectives and respond to the demands of the international community, and that resource requirements should be in line with mandates, programmed activities and established priorities.

36. The proposed programme budget reflected a rate of growth of 0.9 per cent, in contrast to the zero rate of real growth indicated in the budget outline. CPC had not been able to determine the programmatic significance of the growth, given the methodological difficulties involved in comparing the budget and the outline, since one was based on initial appropriations and the other on revised estimates, but had recommended that the budget should reflect the premises on which the outline had been based and adopted. The General Assembly should consider overall resource requirements in the light of the activities to be implemented during the biennium.

37. Much of the 0.9 per cent growth was accounted for by the addition and reclassification of posts. CPC had had difficulty with some of the proposed changes in staffing tables, and with the explanation by the Secretariat that there was no linkage between the suppression of posts in some programmes and the creation of posts in others. Further refinement of the procedures used to evaluate the workloads of various Secretariat units was needed in order to establish objective criteria for evaluating changes in staffing. The General Assembly should designate appropriate bodies to develop more rational and transparent procedures, and report thereon at the forty-seventh session. In the meantime, CPC was recommending that the specific proposals put forward by the Secretary-General which resulted in changes in the staffing table under various sections of the budget should be considered in the light of the recommendations of ACABQ and the comments of CPC itself.

38. The proposed programme budget was the first to be based on broad sectoral priorities, in accordance with General Assembly resolution 41/213. The priorities which had been identified by CPC at its thirtieth session and endorsed in General Assembly resolution 45/255 were reflected in the increased resources proposed for programmes and sections falling within the scope of those priorities.

39. Only some of the priority subprogrammes under the medium-term plan had received increased resources. CPC had stressed the importance of priority-setting at the level of activities and outputs within programmes of

(Ms. Bittencourt Berenguer)

the budget. That was of particular relevance for implementation of the budget and use of the contingency fund, since activities designated as low priority might be curtailed or terminated if additional expenditures under mandates not provided for in the proposed programme budget exceeded the level of the fund. Related to that was the lack of a precise indication, in most statements of programme budget implications, of alternative solutions for carrying out new activities should it prove impossible to finance the additional requirements from the contingency fund. Viable alternatives should be submitted in all statements of programme budget implications or revised estimates.

40. CPC had noted the changes in the structure of the budget, reflecting a closer correspondence with major programmes and with the programmes of the medium-term plan. Some long-standing deficiencies, however, remained, including a failure to indicate clearly the relationship between regular budget and extrabudgetary resources and the inclusion of activities pertaining to similar objectives under different budget sections. Accordingly, CPC had invited the Secretary-General to submit a prototype of a new budget format to the General Assembly at its forty-seventh session through ACABQ and CPC. The methodology used in the preparation of the budget should provide greater transparency regarding the relationship between the budget and the budget outline, the distinction between recurrent and non-recurrent expenditures, and the measurement of growth. CPC therefore recommended that the Secretary-General should convene an ad hoc technical seminar of experts with experience of budgeting in multilateral organizations to review those methodological questions before the next session of CPC.

41. The Committee would note that the Economic and Social Council, in its resolution 1991/67, had already approved the conclusions and recommendations of CPC.

42. While the situation concerning documentation had improved somewhat, the work of CPC had again been hampered by the late issuance of some documents. The timing and duration of CPC sessions, which had traditionally depended on the provision of additional conference services, should be carefully considered to enable it to fulfil adequately its mandate as a subsidiary body of both the General Assembly and the Economic and Social Council.

AGENDA ITEM 104: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS (continued) (A/46/5 and Add.1, Add.3-5 and Add.7, A/46/298, 299, 404 and 510)

43. Mr. SPAANS (Netherlands), speaking on behalf of the Twelve States members of the European Community, said that the item before the Committee was particularly important in that the reports told Member States that their contributions were being used economically, efficiently and effectively. The Twelve strongly supported the increasing emphasis placed on comprehensive auditing as a means of strengthening financial management. The Board of Auditors should continue its practice of preparing interim reports focusing on management and administrative issues. The role of the Fifth Committee was to

(Mr. Spaans, Netherlands)

strengthen financial management at the organizations audited. Neither the Committee nor the Board should become involved in micromanagement of the organizations and programmes, responsibility for which lay with their respective administrations.

44. With regard to the Board's recommendations in general, it would be recalled that, in paragraph 22 of its resolution 45/235, the General Assembly recommended that future reports of the Board of Auditors should contain a summary of recommendations with an indication of relative urgency and a timetable for remedial action. The latter was of particular importance. In the same resolution (para. 13 (b)), the Assembly also called for consideration of a system of confidential reporting by staff members of any inappropriate use of United Nations resources. The Twelve would welcome information on progress made in establishing such a system.

45. Commenting on the interim study on accounting standards to be applied in the United Nations system (A/46/341), he said that the Twelve agreed that there was an urgent need to develop appropriate accounting standards for consistent application throughout the system.

46. The Twelve were pleased to note that the Board had given an unqualified audit opinion on UNRWA, UNHCR and UNITAR. They supported the recommendations concerning UNRWA, and welcomed the attention paid to management issues. They also noted, in particular, the Board's comments on the self-support project programme, as well as the recommendations that cash should be placed on higher-yielding deposits.

47. The Twelve were pleased to note the improvements in financial management at UNHCR, and supported the Board's recommendations thereon. They were also gratified that the financial statements of UNITAR warranted a positive audit opinion. Further to the Board's findings, UNHCR, UNRWA and UNITAR should submit a timetable for remedial action.

48. With regard to the interim reports submitted by the Board, the Twelve were concerned about the state of affairs in the Office for Project Services of UNDP. While noting that remedial steps were being taken, they considered that a solution to the problem lay in management improvements and not in a further expansion of the staff.

49. It was regrettable that the Board seemed unlikely to be able to give an unqualified audit opinion in respect of the UNDP financial statements for the biennium 1990-1991. It appeared that, under existing procedures, UNDP did not obtain financial statements from its executing agencies. UNDP must see to it that financial statements were duly submitted, and should provide the Fifth Committee with a timetable for remedial action. In that connection the Twelve noted decision 91/47 of the Governing Council of UNDP concerning compliance by Governments, in their capacity as executing agencies, with UNDP's audit requirements.

(Mr. Spaans, Netherlands)

50. Turning to the question of trust funds, he said that budgetary discipline, simplification and the standardization of procedures were the main rules that should be applied. The Twelve welcomed the comprehensive audit of the UNDP Economists for Africa Programme. With regard to UNFPA, the Committee should be given a timetable and plan of action for improving the situation concerning financial statements from executing agencies. The Twelve concurred with the Board's recommendations on the International Trade Centre (ITC), for which the most appropriate administrative system should be chosen.

51. The Twelve agreed with the findings of ACABQ in support of the conclusions and recommendations of the Board of Auditors (A/46/510), and noted the report of the Secretary-General on the question of unliquidated obligations (A/46/404). While the Twelve considered that strict adherence to the existing regulations and rules remained paramount, they could support the Secretary-General's recommendations in paragraph 12 of the latter report, provided that the General Assembly was satisfied that a valid charge remained against the resources of the previous biennium which required more than 12 months to liquidate. Nevertheless the Secretary-General should draft specific regulations concerning the way in which year-end obligations relating to expenditures on equipment and multi-year obligations should be dealt with. The matter could be discussed at the ad hoc technical seminar.

52. The note by the Secretary-General concerning implementation of previous recommendations of the Board (A/46/299) highlighted the need to describe or quantify clearly final outputs in the programme budget and the programme performance report. The Twelve entirely agreed with the Board's comments in paragraphs 8 to 12 of the Secretary-General's note. With regard to the Board's recommendation on UNICEF project planning (para. 42), the Board noted that the slight improvement recorded could not be attributed to specific measures undertaken by the UNICEF secretariat. The greatest caution was advisable in reallocating UNICEF funds from slow-moving projects to fast-moving ones. Finally, the Twelve were pleased to note that the UNICEF Executive Board had agreed to strengthen various administrative units, as recommended by the Board of Auditors.

53. Mr. THIRUNAGARAN (Singapore) said that the detailed work done by the Board of Auditors made the Committee's tasks easier and that his delegation could support the suggestions and recommendations made by the Advisory Committee. His delegation's comments on the item should be regarded as constructive rather than merely critical. The effectiveness of the organizations could be judged only by their financial reports, and the aim must be to ensure that they were able to discharge their functions effectively. Many of the audit reports highlighted disturbing insufficiencies which must not be allowed to continue.

54. His delegation was pleased to note that UNITAR had implemented some of the previous audit recommendations, even though some awaited the findings of the consultant. Except in extenuating circumstances, however, UNITAR must not incur expenditures unless there were funds available. The recommendations

(Mr. Thirunagaran, Singapore)

concerning UNDP projects executed by UNITAR and the establishment of an imprest account should therefore be implemented.

55. The financial irregularities in UNHCR were very worrying and must be addressed urgently, particularly by strengthening the management of cash resources. Emphasis must be given to the fundamentals of budget management, for if such irregularities continued Member States might doubt whether there were within the United Nations system adequate fiscal instruments for effective management of funds. Accountability and other management shortcomings had also been identified in UNDP. The Administration must take action to solve the problems, in particular by concluding binding standard agreements with its executing agencies. The issue of the allotment procedure and operating reserve in ITC turned on whether ITC had to comply with United Nations administrative instructions. His delegation agreed with the Advisory Committee that there was no justification for it not to do so. The Board's recommendation that headquarters supervisory functions should be strengthened in UNFPA warranted support, even though the Board's report was only an interim one.

56. Singapore was an active participant in the noble relief work performed by UNRWA and believed that more benefits would accrue to the Palestine refugees if the Agency's administrative and financial operations were improved. The Board had been unable to reconcile the accounts in respect of cash in banks and cash on hand or to clarify the discrepancies. The matter was sufficiently serious for the Committee to ask for an explanation from the Agency. The sum of $US 20 million in cash held to meet unforeseen events was too large; as the Board recommended in paragraph 66 of its report, idle cash should be placed on higher-yielding time deposits. With regard to non-disclosure of information on the grounds of confidentiality, his delegation supported the ACABQ proposal that UNRWA should make full disclosure as required under the Financial Regulations. In that connection, it would be useful to know whether, when auditing an organization, the Board was issued with a letter of credence specifying that it must be given access to information classified as confidential.

57. The Board's reports raised the general question as to why there should be any abuse by United Nations organizations of the existing financial rules and whether the supervisory mechanisms were adequate and the internal auditing systems capable of detecting violations. In the new world atmosphere Member States were taking a fresh interest in the way the United Nations was organized. His delegation was ready to participate in overhauling the system, including the Secretariat, so that the Organization could respond efficiently to the new demands made on it. It was vital for the Secretariat to use its human and financial resources more efficiently in carrying out the new tasks assigned to it. The current reform efforts should give equal emphasis to overhauling financial and management procedures with a view, inter alia, to ensuring better budget discipline; otherwise the organizations could not do their work efficiently. Financial accountability to Member States was vital: the United Nations could not ask for more funds if existing funds were not properly managed.

58. Mr. KABIR (Bangladesh) said that the Board's reports were an important management tool but that the success of the exercise depended on the implementation of the recommendations by the organizations concerned. The Board was right to say that it was for the organizations to decide on the means of implementation. The note by the Secretary-General on the implementation of previous recommendations (A/46/299) indicated some progress, but many recommendations had still not been carried out.

59. His delegation was happy to note that the liquidity position of UNHCR showed a positive balance of $US 124 million and a substantial rise in voluntary contributions. It was therefore dismayed to note that the level of disbursement for refugee assistance programmes had fallen. It endorsed the Board's recommendations concerning the correction of the administrative and financial irregularities and hoped that UNHCR would strengthen its capacity to supervise its executing agencies. It also endorsed the recommendations concerning adequate protection for UNHCR resources at field offices in countries where the political situation was violent.

60. His delegation was concerned about the deficits in the UNITAR accounts, which entailed repeated recourse to the General Fund, and about the decline in the number of donor countries and in income. The liquidity position of the General Fund must be improved. In contrast, the Special Purpose Grants Fund had a high liquidity position, and revenue from the idle cash should certainly be maximized by short-term investments. The recommendations concerning the incurring of expenditures should be implemented with respect both to UNITAR headquarters and to field offices.

61. It was regrettable that only 16 out of 33 executing agencies had signed a standard agreement with UNDP and that such agreements did not ensure full audit of UNDP funds or the provision of adequate information to UNDP or its external auditor. The stalemate in the negotiations on the standard agreement with two major executing agencies was also regrettable. However, agencies which did not sign an agreement should not be disqualified from executing UNDP projects. Urgent steps must be taken to correct the shortcomings identified by the Board in the Office for Project Services as well as those noted in the Economists for Africa Programme.

62. His delegation shared the concern of the Board and the Advisory Committee concerning the need to enter a qualified audit opinion of UNDP and UNFPA because of the late submission of information by the executing agencies. It hoped that that long-standing issue would soon be resolved.

63. Mr. TANG Guangting (China) welcomed the progress reported by the Secretary-General in the implementation of previous recommendations and expressed the hope that the administrations concerned would continue their efforts in that direction. It was, however, seriously concerned about the financial irregularities described in the audit reports.

64. The Board and the Advisory Committee were right to argue that the existing procedures in UNHCR for the management of cash resources at the field

(Mr. Tang Guangting, China)

offices should be strengthened and that reporting procedures should be improved. It was puzzling that, more than a year after supplies valued at $US 294,401 had allegedly been confiscated by a host country, UNHCR still did not know what had happened to them. Restitution must be sought and steps taken to improve UNHCR storage facilities. His delegation agreed with the Board that outstanding pledges should be disclosed in the UNRWA financial statements and that idle cash should be placed on higher-yielding time deposits.

65. There were some questionable practices in the financial management of UNITAR, and his delegation endorsed the recommendations of the Board and the Advisory Committee concerning the incurring of expenditures and the management and utilization of the Reserve Account. Action should likewise be taken to improve procedures for expenditures at the field offices.

66. The problems of UNDP with regard to agency accountability and administrative and management practices in the Office for Project Services were also a cause for concern. UNDP must quickly comply with the concept of full accountability, as outlined in resolution 2688 (XXV), and sign standard agreements with all its executing agencies. His delegation sympathized with the Office for Project Services over the problems caused by its heavy workload, but could not agree with the Board that the number of projects to be executed by the Office should therefore be strictly controlled. At a time when many developing countries were in dire need of assistance, the international community must intensify its efforts. The Office's workload problem should be tackled not by limiting the number of projects but by improving administrative and management efficiency, an area in which both the Board and ACABQ pointed to flaws. The workload could also be eased by tapping the potential of the executing agencies.

67. His delegation basically agreed with the opinions of the Board and ACABQ concerning UNFPA and ITC: UNFPA headquarters must strengthen its supervision of its field offices, and the confusion as to whether the United Nations administrative instructions applied to ITC must be quickly resolved.

68. The effectiveness of financial systems and the enforcement of the financial rules were important factors in evaluating an organization's management and its efficiency. Over the years, the audited organizations had made tremendous efforts for the economic development of the developing countries. They should seek to make a still greater contribution by further strengthening their management and coordination and by eliminating existing deficiencies.

69. Ms. ERIKSSON FOGH (Sweden), speaking on behalf of the five Nordic countries, stressed the importance they attached to the work of the Board of Auditors. The Board's reports gave Member States an indication as to whether their contributions to the various organizations were used in accordance with plans and budgets, and, now that the traditional auditing role had been expanded to include various managerial aspects, they gave them an impartial

(Ms. Eriksson Fogh, Sweden)

assessment not just of the financial state of affairs but of the efficiency of the organizations as well. For many delegations, that was the only practical way of gathering such information.

70. The Nordic delegations noted with satisfaction that the Board of Auditors continued to report the results of specific audits and to issue management letters containing detailed audit observations to the administrations concerned, a practice which they strongly endorsed. The Board of Auditors should not only note shortcomings but should also play an active role in managerial improvements, and a dialogue between the Board and the administrations contributed to that objective. In that context, the Nordic delegations expressed appreciation of the Board's interim reports on ITC (A/46/5), UNDP (A/46/5/Add.1) and UNFPA (A/46/5/Add.7), particularly the emphasis given to issues relating to economy, efficiency and effectiveness.

71. In general, the Nordic delegations endorsed the Board's observations and recommendations. As in previous years, they would support a request to the competent governing bodies to ensure that full consideration was given to the reports and that the executive heads concerned took appropriate action to comply with the recommendations.

72. In the report on UNRWA (A/46/5/Add.3), the Nordic delegations had noted the disagreement between the Board of Auditors and the Agency concerning a separation payment to a staff member. They strongly supported the Board's decision in the case and agreed that it could not be within the agency's discretion to exclude certain operations from external audit on grounds of confidentiality. The consequences would be unacceptable if an administration could exempt specific issues from auditing simply by referring to confidentiality. The International Organisation of Supreme Audit Institutions (INTOSAI) had recommended that supreme audit institutions should have access to all records and documents relating to financial management and should be empowered to request any information they deemed necessary from the audited body. The Board's position, therefore, was in conformity with the recommendations of INTOSAI.

73. In the case of the report on voluntary funds administered by the United Nations High Commissioner for Refugees (A/46/5/Add.5), the Board had made an extensive review of project implementation, examining the causes of implementation delays, project extensions and the non-termination of projects by due dates. It was noted that delays in implementation arose principally from the untimely completion of relevant agreements and the difficulty of obtaining appropriate project personnel. In addition, the final narrative reports required from implementing partners were often not submitted on a timely basis. As a result, projects were not closed and UNHCR continued to maintain as outstanding obligations that should have been cancelled. The Nordic delegations concurred in the Board's recommendation that further measures should be taken to improve project implementation through the timely reporting of project activities.

(Ms. Eriksson Fogh, Sweden)

74. With regard to the interim report on ITC (A/45/5), the Nordic delegations noted that the question of whether the Centre must comply with United Nations administrative instructions had been raised in previous reports of the Board and was also dealt with in the Board's report on the implementation of its previous recommendations (A/46/299). In the Board's view, neither the Centre nor the United Nations Secretariat had made appropriate efforts to resolve the issue. That indecision impaired the Centre's internal control system and the Nordic delegations urged the parties involved to resolve the issue without further delay.

75. As major contributors to UNDP, the Nordic delegations were particularly concerned about accountability in the Programme. Most UNDP resources were entrusted to other United Nations organizations for the implementation of programme activities. Full accountability for the use of those resources could be maintained only if the executing agencies themselves were held accountable for the use of the resources entrusted to them. According to the Standard Basic Executing Agency Agreement (SBEAA) currently in use, all agencies were accountable for their execution of UNDP-financed projects. However, the audit reports provided did not convey sufficient information on whether funds had been spent with maximum efficiency and effectiveness. The Board of Auditors proposed, in its interim report (A/46/5/Add.1), that provision should be made in such Agreements for the mandate of the agency's external auditor to include an assessment of the efficiency and effectiveness of project implementation. All pertinent audit findings should then be submitted to UNDP and its external auditor. Although they were aware that extending the scope of an audit to performance appraisal would involve additional costs, the Nordic delegations supported the proposal on the grounds that the benefits to be derived would far outweigh the costs. Partly because of the incompatibility of reporting periods between the executing agencies and UNDP, reporting agencies were also not always as timely as could be hoped. The Administrator of UNDP should be urged to try to harmonize those processes. Another, and perhaps more serious, question was the quality of the audits received under the increasingly common arrangement whereby projects were nationally executed.

76. The Nordic delegations had studied with great interest the Board's report on the implementation of its previous recommendations (A/46/299). In paragraphs 8 to 12 of the report, the Board reported on the issue of performance reporting. There seemed to be no disagreement between the Board and the Secretariat concerning the need for comprehensive performance reporting. As pointed out by the Secretariat, and as fully understood by the Board of Auditors as well as by the Nordic delegations, there were difficulties involved in quantifying outputs in the programme budget and in the programme performance report, but quantification was the essence of programme budgeting and considerable effort must be made to that end. The Nordic delegations particularly stressed the need to include in the performance reports outputs funded totally or in part from extrabudgetary resources.

(Ms. Eriksson Fogh, Sweden)

77. Lastly, with regard to the Secretary-General's report on the question of unliquidated obligations (A/46/404), the Nordic delegations felt that the existing provisions in financial regulations 4.3 and 4.4 were already generous. They would, however, be prepared to recommend that the procedure currently applied to construction projects and the Integrated Management Information System should be extended to other specific projects, as proposed in paragraph 12, on condition that the projects were specifically identified as being of a multi-year nature. Appropriated funds should be placed in separate accounts, allowing unexpected balances to be carried forward into succeeding bienniums until the projects were completed. The Nordic delegations would also be prepared to support the proposal in paragraph 12 (b) whereby the Assembly could authorize the selective waiving of financial regulation 4.4.

78. Debates on the reports of the Board of Auditors tended to focus on shortcomings in the organizations under review. The Nordic delegations would therefore like to avail themselves of the opportunity to assure the staff of the organizations concerned that their work and devotion to their tasks was highly appreciated.

79. Mr. INOMATA (Japan) said that, in examining the reports of the Board of Auditors and the views expressed by the Advisory Committee, his delegation had noted the complete convergence of views of the two bodies. The only difference related to the Board's proposals regarding the establishment of an imprest account to be utilized to defray necessary expenditure on projects needing immediate implementation for which UNITAR had not yet received funds committed by donors. Only in that instance had the Advisory Committee refrained from endorsing the proposals of the Board, recommending instead that UNITAR and UNDP should review the matter, taking into account the Board's recommendations in paragraphs 43 to 45 of its report.

80. His delegation agreed with the Advisory Committee's cautious approach, which was consistent with the principle of not incurring expenditure prior to the receipt of allotment advice recently adopted by UNITAR as an amendment to its Statute. Since UNITAR currently operated on the basis of paid-in voluntary contributions and such other resources as might be available, voluntary contributions should be reported on a cash rather than an accrual basis. His delegation also hoped that, in reviewing the matter, UNITAR and UNDP would take into account the possible decision of the General Assembly on the findings and recommendations of the independent consultant appointed pursuant to General Assembly resolution 45/219 to report on the continued relevance of UNITAR's mandate and other issues referred to in paragraph 11 of the Advisory Committee's report (A/46/510).

81. With the exception of that issue, his delegation wished to emphasize the importance of implementing fully the Board's remaining recommendations, all supported by the Advisory Committee, which were addressed to the six agencies and programmes that had been audited in 1991. Certain recommendations merited the explicit backing of the General Assembly. For example, it was recommended

(Mr. Inomata, Japan)

that the Board should be given complete access to information on personnel management in UNRWA, a question referred to by the Advisory Committee in paragraphs 7 to 9 of its report. UNHCR should be requested to conduct an investigation to determine whether relief goods had actually been confiscated by a host country and, if so, seek appropriate restitution and take appropriate steps to plan for future storage facilities. Further, United Nations financial regulations and rules and administrative instructions should be applied to the International Trade Centre, since the case raised in the interim report obviously required urgent action. The submission of special reports between biennial audits was clearly justified. The principle of the full accountability of an executing agency for the resources entrusted to it by UNDP should be maintained by the conclusion of Standard Basic Executing Agency Agreements. The need for such Agreements was particularly urgent in the case of FAO and ILO, which were together responsible for approximately 25 per cent of all expenditures by executing agencies. Without such Agreements, they would be disqualified as executing agencies. A further recommendation was that the management capacity of the Office for Project Services should be redressed, as discussed in paragraphs 36 to 39 of the Board's interim report on UNDP, in which the auditors again pointed out that expenditures had exceeded allocations.

82. His delegation had read with dismay the long list of financial irregularities reported in connection with projects carried out by UNDP. It noted with regret many instances of mismanagement of cash resources in the field, of misappropriation of funds by staff, of theft and disappearance of non-expendable property and the looting of cash from UNHCR offices. There could be no doubt of the need to strengthen organizational arrangements and procedures for the management of cash resources. In that connection, he recalled the decision by the General Assembly at the previous session to request the Secretary-General to consider taking steps to facilitate the reporting by staff members on a confidential basis of any inappropriate use of the resources of a United Nations organization or programme and to report on the matter to the General Assembly at its forty-sixth session. He had also been requested to submit reports to the Assembly to assure Member States that there was in place a stringent system of inventory control on non-expendable property and that there were effective controls on the payment of allowances and benefits to staff. Those reports had not yet been received.

83. He recalled that, in addition to the stricter controls that had been called for, the General Assembly had requested the executive heads of United Nations organizations and programmes to enforce existing disciplinary measures with a view to enhancing accountability and budgetary discipline. Unfortunately, no such measures had been taken, despite repeated findings by the auditors of cases in which expenditures had exceeded the funds provided under allotment.

84. Lastly, his delegation urged the Board of Auditors to continue to produce special reports for the first year of each biennium for United Nations bodies audited on a biennial basis, if, in its opinion, there were matters that

(Mr. Inomata, Japan)

needed to be brought to the attention of their governing bodies and the General Assembly. In that respect, his delegation supported the view expressed by the Chairman of the Board of Auditors, particularly because such management concerns as economy, efficiency and effectiveness were often likely to receive less consideration than they deserved. The arrangements proposed by the Board would ensure that the workload of the General Assembly and the governing bodies concerned in connection with audits was more evenly distributed over the first and second annual sessions in a biennium. Nevertheless, in order to avoid any misunderstanding, his delegation would recommend that the views of the Board submitted pursuant to paragraph 8 of General Assembly resolution 45/235 should be known as "special reports" rather than "interim reports", a term which suggested that the positions espoused were tentative or preliminary and might be corrected later in the biennial audit. The value of the reports submitted at the current session was obvious, and the suggestion was intended merely to eliminate confusion.

85. With regard to the report by the Secretary-General on unliquidated obligations (A/46/404), he reserved the right of his delegation to revert to the matter when the report of the Advisory Committee was ready.

The meeting rose at 1 p.m.

UNITED NATIONS

General Assembly

FORTY-SIXTH SESSION

Official Records

FIFTH COMMITTEE
6th meeting
held on
Thursday, 10 October 1991
at 3 p.m.
New York

SUMMARY RECORD OF THE 6th MEETING

Chairman: Mr. MUNTASSER (Libyan Arab Jamahiriya)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

CONTENTS

AGENDA ITEM 113: PATTERN OF CONFERENCES (continued)

This record is subject to correction.
Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, Room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

91-56450 3962S (E)

Distr. GENERAL
A/C.5/46/SR.6
21 October 1991
ENGLISH
ORIGINAL: SPANISH

The meeting was called to order at 3.20 p.m.

AGENDA ITEM 113: PATTERN OF CONFERENCES (continued) (A/46/32)

1. Mr. MERIFIELD (Canada) said that he recognized the important role of the Committee on Conferences, which was to ensure that the Secretariat provided services of the highest quality despite the limited resources available to the United Nations for carrying out all the tasks entrusted to it by Member States, and hence the importance of ensuring that representatives used those services responsibly.

2. He reiterated the comment made by his delegation the previous year, that the prime necessity was to use those services efficiently, and at the same time questioned the advisability of excessively detailed statistics. Whether the benchmark was 75 per cent or 80 per cent was not important, but he was pleased by the overall improvement in the use of facilities.

3. The essential point was that users of the services should be frugal in their demands and responsible in estimating their requirements. To that end, those bodies which regularly used fewer conference services than they had requested should take steps to assess their real requirements properly instead of basing their calculations on requests made in previous years. They should also look seriously at the possibility of reducing the length of meetings that were clearly not required.

4. He fully endorsed the Committee on Conferences' recommendation that the subsidiary bodies of the Economic and Social Council should consider the possibility of biennializing their work. It was also time to re-evaluate the organization of debates in the Main Committees of the General Assembly and in all subsidiary bodies. The work of the United Nations should be rationalized, and some of the more routine reports should be reduced in order to liberate conference services for constructive debate on the important new issues which Member States were asking it to deal with.

5. His delegation agreed with the Committee that the Governing Council of UNDP and the Executive Board of UNICEF should be asked to better estimate their requirements and that, as far as possible, summary records should be cut back. The consecutive scheduling of meetings would be especially appropriate for meetings that were merely routine or procedural.

6. After noting that, in the Committee's opinion, the introduction of new technology in the Department of Conference Services had yielded uneven results, he expressed support for the Department's efforts and hoped that there would be real, measurable improvements in productivity once the programme was completed.

7. His delegation proposed that, in its resolution, the Fifth Committee should endorse the recommendations of the Committee on Conferences and urge

(Mr. Merifield, Canada)

all United Nations organs to review their meetings and documentation requirements, with the overall objective of improving the Organization's ability to meet the new expectations of the international community.

8. Ms. ROTHEISER (Austria) said that the draft calendar of conferences and meetings for 1992-1993 prepared by the Committee on Conferences followed the guidelines of General Assembly resolution 43/222 B regarding the need to stagger conferences and conference services throughout the year. However, there was still room for improvement: conferences should be more evenly distributed among the various conference centres of the United Nations, with a view to making optimum use of conference services and activities. Similarly, as recommended by the Committee in paragraph 135 of its report, new technologies should be introduced evenly throughout the United Nations system. Although it would be costly in its initial stages, the acquisition of new technologies would make it possible to increase productivity and would, in the long run, ensure that better use was made of financial resources.

9. She noted with satisfaction that, in 1990, the conference services utilization rate had been 78 per cent and she urged those bodies which consistently underutilized the conference resources at their disposal to engage in a serious review of their meeting requirements. If the continuing waste of resources by those bodies did not end, she would be in favour of taking more concrete measures along the lines proposed by the Group of 18. Given the shortage of available resources and the need to use them rationally, she supported the proposal that the utilization target, currently set at 75 per cent, should be raised.

10. Although she recognized the undoubted advantages of the new methodology approved in 1990 for calculating the utilization factor, which was to be applied in parallel with the existing one for an experimental period of three years, she believed there was still room for improvement; she therefore supported the introduction of an "availability index" for the documentation of each body, and suggested that the factor time lost due to late starting and early ending should be subdivided since the early ending of a meeting could be an indication of efficient conduct of work. After a warning that no statistical methodology, however accurate, could give a complete picture of how an organ performed, she urged all United Nations organs to avoid any waste of conference services.

11. Her delegation strongly supported the recommendation of the Committee on Conferences in paragraph 55 of its report that, whenever possible, meetings should be scheduled consecutively within one three-hour meeting period; that was an important step towards making optimum use of conference services.

12. Turning to section 32 of the proposed programme budget for the biennium 1992-1993 (Conference and library services), she stressed the need tc review the ratio of permanent to temporary staff at European duty stations and the increasing demand for interpretation services of bodies meeting at Vienna.

(Ms. Rotheiser, Austria)

She would await with interest the Secretary-General's concrete proposals in that regard. She also took note of the information provided by the Under-Secretary-General for Conference Services and Special Assignments on the outcome of the negotiations between the United Nations, the Industrial Development Organization (UNIDO) and the International Atomic Energy Agency (IAEA) on the establishment of a unified conference service in Vienna and said that she was confident that all the organizations concerned would soon reach an agreement.

13. A review of the Department of Conference Services by the Committee on Conferences could play an important part in providing fresh ideas to improve its functioning; her delegation was willing to cooperate with the Department and with other delegations to achieve such an improvement. In the recent past, a more efficient use of conference resources had been achieved and that progress would be continued if the new proposals of the Committee on Conferences, which her delegation strongly supported, were taken into account. She urged the Secretariat and all the members of the Committee on Conferences to continue their efforts to improve conference servicing.

14. Mr. NASSER (Egypt) said that he was gratified to note the improvement in the availability of documentation for the current session of the General Assembly and the overall improvement in the utilization rates of conference-servicing resources; although modest, that improvement represented a positive trend which should be enhanced in the future. It might be opportune to consider raising the benchmark figure for utilization of such resources.

15. He endorsed the recommendation in paragraph 13 of the report of the Committee on Conferences concerning the adoption of the draft calendar of conferences and meetings of the United Nations for 1992-1993 as submitted by the Committee on Conferences, and agreed that the Committee should be authorized to make any adjustments to it that might become necessary as a result of actions and decisions taken by the General Assembly at its forty-sixth session.

16. However, other recommendations and paragraphs of the report deserved careful consideration. In particular, the experimental methodology being used to measure the utilization factor was too complicated. Moreover, the Committee on Conferences should have paid more attention to the question of existing conference resources, services and facilities within the United Nations and formulated concrete proposals and conclusions on the subject. That matter should be examined in conjunction with the question of the application of new technology to conference servicing. The Department of Conference Services should introduce such new technology in the different United Nations centres concurrently; the investment made by the Organization in that field should help offset the growing workload of the Department of Conference Services, at least in part.

(Mr. Nasser, Egypt)

17. The role of the Committee on Conferences had been thoroughly discussed during previous sessions of the General Assembly and had been formalized in resolution 43/222 B, which set out the membership and mandate of the Committee. The composition of the Committee must be based on equitable geographical distribution. That resolution had not invested the Committee with powers commensurate with its role as envisaged in recommendations 1, 2 and 3 of the Group of 18. Under General Assembly resolution 43/222 B, the Committee on Conferences did not have any authority to overturn mandated programmes or meetings already approved or any budgetary powers. Given that background, he wondered whether consideration by the Committee of section 32 of the proposed programme budget for the biennium 1992-1993 was compatible with resolution 43/222 B.

18. In spite of such points of disagreement, his delegation was prepared to cooperate with all interested parties in strengthening the Committee. The Fifth Committee had the right to change the role of the Committee on Conferences but it would be premature to review its role at the current session. An opportunity to undertake such a review might present itself at the forty-seventh session.

19. Finally, he said that improved utilization of United Nations conference-servicing resources might be achieved by continuing the process of reforming the intergovernmental structure, as envisaged in General Assembly resolution 41/213.

20. Mr. ZAHID (Morocco), speaking also on behalf of the other Member States of the Arab Maghreb Union (Algeria, Libyan Arab Jamahiriya, Mauritania and Tunisia), noted the important part played by the Committee on Conferences and the Department of Conference Services in increasing the effectiveness of the Organization and enhancing its prestige. Rationalization of the calendar of conferences and meetings, control of the quality and timely issuance of documentation and introduction of new technology were all factors that affected the deliberative and decision-making processes of the various United Nations bodies.

21. In view of the increasingly prominent role of the United Nations, the Organization must make every effort to ensure the best possible utilization of its available resources and, in particular, of its conference-servicing resources. He noted with satisfaction that, in the opinion of the Committee on Conferences, the new methodology for calculating the utilization factor for conference services made possible a more satisfactory assessment of the accuracy with which committees predicted the actual number of fully serviced meetings that they would require during a session. He endorsed the proposal regarding the development of an availability index in order to assess the connection between the availability of documentation and the utilization rates of conference services. It was regrettable that meetings of certain committees and commissions had to be cancelled because the necessary documentation had not been issued or had been issued late; the Department of

(Mr. Zahid, Morocco)

Conference Services should see to it that such situations did not recur. Those regrettable delays affected documentation on economic and social questions in particular, subjects that were of particular importance to the countries of the Arab Maghreb Union.

22. He was aware of the limited resources available to the Organization, due to the protracted financial crisis, and recognized the negative impact that that had on conference services. That made it imperative to utilize the available resources more rationally. The members of the Arab Maghreb Union were prepared to consider any proposal for an in-depth review of the functioning of the Department of Conference Services aimed at increasing its efficiency. Introducing new technology, in particular, should contribute to achieving that aim.

23. He shared the concern expressed in the report of the Committee on Conferences about bodies which had consistently low rates of utilization for conference-servicing resources; however, the number of meetings allocated to such bodies should not be reduced, since that might prejudice their work. Moreover, it would not be within the Committee on Conferences' competence to take such a measure. On the other hand, the bodies could be asked to review their conference-servicing requirements. The members of the Arab Maghreb Union supported the recommendation to that effect in paragraph 29 of the report of the Committee on Conferences.

24. Establishing a biennial cycle for meetings of the subsidiary bodies of the Economic and Social Council would be very useful in easing the work of the Council and would enable it to consider the reports that it received in greater depth, the more so now that it had to do in one month what had formerly taken almost two. Nevertheless, that recommendation should be considered in the Second and Third Committees, not in the Fifth Committee.

25. The sessions of the Committee for Programme and Coordination (CPC) should be prolonged by a few days in order to avoid the repeated extensions which rightly worried the Committee on Conferences, and the same recommendation should be made with respect to the joint meetings of CPC and the Administrative Committee on Coordination (ACC).

26. The members of the Arab Maghreb Union believed that implementation of the guidelines adopted by the Committee on Conferences for consideration of requests from various organs for inter-sessional departures from the approved calendar of conferences and meetings would enhance the Committee's work, and they also supported the Committee's recommendation made in paragraph 79 of its report.

27. With regard to meetings of organs and programmes not funded from the regular budget, the Governing Council of UNDP and the Executive Board of UNICEF should be asked to examine their conference-servicing needs in the light of their considerable financial implications and the goal of augmenting

(Mr. Zahid, Morocco)

the efficiency of the two agencies, which were of great importance for the developing countries. The members of the Arab Maghreb Union were ready to consider any proposals designed to increase efficiency which did not harm programmes and projects.

28. Mr. KARBUCZKY (Hungary) said that the Committee on Conferences was one of the most important permanent subsidiary organs of the General Assembly, and its recommendations had significant budgetary consequences. Thus the Committee should and could serve as a tool for more efficient use of conference services.

29. The Committee's most recent report gave the impression that more often than not it simply rubber-stamped everything requested of it, which was not exactly the mandate assigned by the General Assembly in resolution 43/222 B. In fact, the Secretariat units which originated the requests possessed more knowledge and data about conference services and requirements than most members of the Committee. Regrettably, the attendance at the short August session had been very low, and only the well-prepared documentation, the expert guidance of the Chairman, and the work done by the members present had ensured that the report, which was the lowest common denominator of the diverging views of the members of the Committee and the Secretariat, did represent a measure of progress in some fields. On the other hand, only a comprehensive reform of the Secretariat, the General Assembly and the whole United Nations system would make it possible for organs like the Committee on Conferences to have any real major role.

30. Although his delegation agreed that the Committee's role should not be limited to study of statistics, it recognized that statistics could lead to useful conclusions. The setting of a higher conference utilization benchmark would send an unmistakable signal to the users, and the proposal of a rate of 85 per cent seemed reasonable given the present utilization factor. However, if any organ consistently used less than 60 per cent of its allocated conference resources, that would indicate a serious malfunction, and the Committee should request the organ concerned, or other competent bodies, to examine the situation in order to be able to make to the General Assembly the necessary recommendations, which should include a reduction of the conference time allocated to the organ in question.

31. The suggestion of taking a fresh outside look at the productivity and efficiency of the Department of Conference Services was a timely one, and the Joint Inspection Unit (JIU) should make a study of that very complex issue. Better coordination of existing conference resources could obviously enhance cost-effectiveness, but it should not be carried to the extreme of infringing on the authority of other organizations. Savings could also be made by minor restructuring of manning tables, with corresponding changes in the budget. One example would be the recruitment of a second team of interpreters in Vienna, which would be less expensive than using short-term staff.

(Mr. Karbuczky, Hungary)

32. The Committee should examine carefully any request for a departure from the approved calendar of conferences, extension of meetings, additional conference facilities, or exceptions to section I, paragraph 7, of General Assembly resolution 40/243, and it should reject any unfounded request. With the convening of the Conference on Environment and Development, 1992 would be a special year, and careful consideration would have to be given to the proposal to hold the summer session of the Economic and Social Council earlier.

33. Mr. RAE (India) said his delegation was glad that the Department of Conference Services was able to cope with the difficult job of meeting, with limited resources, ever-increasing demands for conference services; nevertheless, the Department's functioning, efficiency and productivity could be improved even further. At the same time, Member States must try to make maximum use of the services provided for intergovernmental meetings. It was a matter for satisfaction that the overall utilization factor for conference services had risen to 78 per cent, surpassing the level of 75 per cent set by the Committee on Conferences.

34. The new methodology for assessing the utilization of conference facilities showed an improvement over the earlier methodology in that it compared the requirement for meetings estimated at the planning stage with the actual utilization. An analysis of the meeting ratio and the planning accuracy factor would help the Department secure optimal allocation of its services to different bodies.

35. However, the results of the new experimental methodology would have to be compared with those achieved by the old methodology. Although the overall utilization factor had risen, there was still considerable scope for improving the use of conference services by intergovernmental bodies. The Committee could request, through the General Assembly, that bodies whose utilization factor had been consistently low over the last few years should try to cut back the total number of meetings programmed.

36. In order to reduce the time lost when meetings began late the quorum rules should be applied with flexibility, bearing in mind the need to ensure maximum use of conference facilities. The cases of conference time lost because meetings ended early were due to the inflexible rule of providing only for three-hour meetings. Shorter meetings, or several consecutive meetings within a three-hour period, could be scheduled.

37. The officers of the Committee should approve requests for inter-sessional departures from the calendar of conferences which had no budget implications, provided there were no technical problems and the requests were justified. Furthermore, the officers and the Committee as a whole should respond promptly to such requests.

38. His delegation supported the view contained in the report that the Department should continue to provide conference services to bodies not funded from the regular budget, in order not to cut the resources which such bodies

(Mr. Rao, India)

used for operational activities; however, they should be informed about the volume of services provided to them from the regular budget, so as to impress upon them the need to make maximum use of the facilities.

39. Priority should be given to the introduction of new and more productive technology in conference services, particularly at headquarters stations where labour costs were very high. In that context the Indian delegation was puzzled by the recomendation contained in paragraph 135 of the Committee's report that the applications of new technology should be introduced evenly throughout the United Nations. That would be easy to do if there were no financial constraints, but not in the present circumstances. It would be preferable to proceed gradually, beginning with the stations where the introduction of new technology would be most productive and cost-effective.

40. Mr. WIBISONO (Indonesia) said that his delegation fully agreed with the recommendation of the Committee on Conferences that the Economic and Social Council should reconsider the possibility of introducing a two-year cycle for the meetings of its subsidiary bodies.

41. The United Nations organs whose use of conference services fell below the benchmark of 75 per cent should evaluate their requirements better. Since the current methodology for compilation of data on the utilization of conference services had not given satisfactory results, the Indonesian delegation supported the decision taken by the Committee in 1990 to use a new methodology, in parallel with the current methodology, on an experimental basis for three years.

42. His delegation agreed on the need to request the Governing Council of UNDP and the Executive Board of UNICEF to review their meetings and documentation requirements in the light of their substantial financial implications.

43. With regard to requests for exceptions to section I, paragraph 7, of General Assembly resolution 40/243, subsidiary organs should make the necessary arrangements to complete their work before the start of the regular sessions of the General Assembly and to utilize fully the conference services allocated to them.

44. His delegation urged the Secretariat to keep in mind the objectives of the application of new technologies mentioned in paragraph 134 of the Committee's report and to ensure that, as far as possible, the new technologies were introduced evenly throughout the system.

45. In the present circumstances the mandate given to the Committee in resolution 43/222 B was the best, and the Secretariat should take note of paragraph 104 of document A/44/222, which stated that it was planned during the biennium 1990-1991 to invite a fresh outside look to determine whether the productivity and efficiency of the Department of Conference Services could be further enhanced.

46. Mr. ZARE (Islamic Republic of Iran) said that the most important task of the Committee on Conferences was to increase the efficiency of the use of conference-servicing resources within the framework of the organizational and procedural methods of the United Nations system. The current political and economic circumstances in the international community and the increasing seriousness of world economic problems required the Organization to adjust its functioning in order to eliminate those problems. The activities of the United Nations must be decentralized, the number, frequency and duration of conferences and meetings must be reduced, and more resources must be allocated to the regional offices and their conference services improved. Furthermore, closer coordination was needed between the Committee on Conferences and the Economic and Social Council with regard to the preparation of and changes in the calendar of conferences and meetings.

47. In view of the differences between the planned and actual utilization of conference services by the various United Nations organs, each organ should keep in mind its terms of reference when requesting such services. In that regard his delegation supported the recommendations contained in paragraphs 29 and 92 of the Committee's report. The Committee should maintain its contacts with all United Nations organs in order to ensure the most efficient use of conference-servicing resources.

48. In accordance with the recommendations of the Group of 18, the Committee should coordinate the working procedures for conference services in the various United Nations offices and should, in particular, plan and coordinate conferences and meetings by staggering them throughout the year and taking into account the availability of resources. However, since some meetings dealt with complex and important issues requiring lengthy negotiation, they might, as exceptional cases, be excluded from the criteria just described.

49. According to paragraph 7 of resolution 45/238 B, the reports of subsidiary organs should not exceed 32 pages. While bearing in mind special cases, the Committee on Conferences should bring that rule to the attention of organs whose reports exceeded the limit. Moreover, the Secretariat should restrict the length of reports and consider possible reductions in their number and frequency. For their part, Member States must limit their requests for circulation of communications as United Nations documents and keep such communications as short as possible. The reduction of documentation in general would make it possible to cut external printing costs, which were very high. It was also necessary to continue investing in new technologies designed to augment efficiency in terms of cost-effectiveness, especially in the regional offices. Furthermore, the timely distribution of documents in all the languages would prevent a considerable waste of conference-servicing resources.

50. Mr. TOYAMA (Japan) said that his delegation welcomed the improvement in the conference-servicing utilization factor. However, as pointed out by the representative of the Netherlands, speaking on behalf of the European Community, the utilization ratios of some bodies, for example the Committee for Development Planning, the Disarmament Commission, the Board of Trustees of

(Mr. Toyama, Japan)

UNITAR, and the Ad Hoc Committee on the Indian Ocean, were very low. Special measures must be taken to improve the situation with respect to those bodies, and his delegation therefore strongly supported paragraphs 30, 31 and 32 of the report of the Committee on Conferences.

51. In order to improve the utilization of conference-servicing resources bodies should show some flexibility, for example by scheduling meetings for four or four and a half days, on the basis of their real needs, instead of the normal length of five days. The careful preparation of meetings under the guidance of their officers and the punctual issuing of documents would help to improve the utilization ratios. The six-week rule for distribution of documents should be strictly observed. Accordingly, the Committee should consider ways of reducing the volume and length of documents, for that would reduce the time needed for their preparation. His delegation fully supported the proposal of the Under-Secretary-General for Conference Services and Special Assignments concerning the promotion of interdepartmental cooperation in the Secretariat with regard to documentation.

52. It was necessary to indicate the availability of documentation for each meeting and to give Member States precise information about each stage of document production, from drafting to distribution. His delegation noted with interest the proposal to prepare an "availability index" which would identify the percentage of pre-session documents issued within the six-week deadline, as described in paragraph 21 of the Committee's report. Such information would help to improve the organization of the work of meetings. It was to be hoped that the Fifth Committee would take action to pursue the proposal.

53. His delegation thought that the utilization rate for the various facilities and resources at each conference centre, i.e., New York, Geneva and Vienna, should be clarified. Information should be provided on such matters as the number of days in the year that each conference room was used and the number of days that each staff team of interpreters worked. The calendar of conferences adopted by the General Assembly should be strictly observed in order to ensure effective use of conference resources. His delegation fully supported what was said in paragraph 44 of the Committee's report with respect to departures from the calendar by subsidiary bodies of the Economic and Social Council.

54. Inter-agency exchanges of conference-servicing resources should be promoted in order to optimize the use of such resources throughout the United Nations system. His delegation therefore noted with appreciation the information provided by the Under-Secretary-General for Conference Services and Special Assignments concerning the negotiations between the Secretariat and the International Atomic Energy Agency (IAEA) and the United Nations Industrial Development Organization (UNIDO) with a view to promoting joint conference services. It was to be hoped that in the near future the Secretariat would submit to the General Assembly proposals reflecting the agreement reached with those two organizations.

(Mr. Toyama, Japan)

55. His delegation took note of the decision of the UNIDO Industrial Development Board of 5 July 1991 to the effect that any change in the present conference-servicing arrangements for the Vienna-based organizations would need to be examined in the light of the efficiency, economy and quality of services that it would bring. The quality of the conference services in Vienna should therefore have been examined exhaustively from the standpoint of the "clients" of such services, i.e. the Member States. It was regrettable that the Committee had never been expected to make any recommendation on the matter in its report. It was also regrettable that ACC had so far not tried to establish a complete inventory of conference-servicing facilities which could be shared in order to utilize the United Nations system to the full.

56. Two years previously, the Committee on Conferences had held a special informal session to review the medium-term plan for the period 1992-1997 and had made recommendations to the General Assembly. There had been no such session in 1991 to examine section 32 of the proposed programme budget for the biennium 1992-1993, relating to conference services. The General Assembly should require the Committee to play a more important role in reviewing budgetary matters. The Committee should also examine the projections and statistics relating to workload in section 32 of the proposed programme budget for 1992-1993, since it was competent to do so as a central organ for scheduling meetings.

57. With regard to the possibility of inviting "a fresh outside look" to determine whether the productivity and efficiency of the Department of Conference Services could be further enhanced, his delegation's understanding was that the Committee on Conferences had been expected to perform that task and that there should be no recourse to outside private organizations. As five years had elapsed since the idea had first been proposed, the time had come to abandon it unless the Committee determined that there was an effective and practical way of carrying it out.

58. With regard to the application of new technology to conference servicing, he reiterated that that could not be an end in itself. It could only be useful to the extent that it improved productivity and efficiency. He looked forward to hearing from the Secretariat about the results achieved to date.

59. Mr. ZHANG Wenjun (China) said that, in principle, his delegation supported the draft calendar of conferences and meetings for the biennium 1992-1993 and the relevant resolutions of the Committee, in particular its recommendations that the Economic and Social Council should again consider the possibility of the biennialization of the meetings of its subsidiary organs and that the Trusteeship Council should also be asked to review its meeting requirements.

60. His delegation was pleased to note the increase in the utilization rates of conference-servicing resources. He pointed out, however, that the utilization rates for some organs remained low and in some cases had even dropped, and supported the Committee's request that the organs concerned

(Mr. Zhang Wenjun, China)

should provide an explanation. In the case of those bodies that failed to give satisfactory reasons, the Committee should adopt effective remedial measures. The 75 per cent utilization rates set as a target by the Committee in 1983 could be raised somewhat, despite the fact that some organs had not yet attained them. His delegation also agreed that the Committee should consider taking additional measures within its mandate to improve still further the efficiency and effectiveness of the utilization of conference-servicing resources.

61. His delegation was deeply concerned by the fact that the provision that pre-session documents should be distributed simultaneously in all official languages of the organs of the United Nations not less than six weeks before meetings were held, as required by General Assembly resolution 45/238 B, had yet to be fully implemented. There had been cases where meetings could not proceed as planned and where meetings had had to be cancelled altogether owing to the lack or late issuance of documentation. The Committee's proposals to the General Assembly on the evaluation of the utilization rates of conference-servicing resources should include effective measures aimed at reducing the number of meetings delayed or cancelled because of the unavailability of documentation.

62. In the past year, the Committee on Conferences had approved almost every request for extended sessions or additional meetings. He hoped that in future the Committee would examine such requests thoroughly and that the organs making them would do their utmost to ensure the best possible use of conference-servicing resources.

63. He agreed entirely with the Committee's conclusion that "the continued application of new technologies was not to be considered as an end in itself, but rather as a tool with which the Secretariat could achieve improvements in efficiency and cost-effectiveness". The results of introducing new technology could not be perceived overnight and it would therefore be advisable to make an overall evaluation of the application of new technology after an experimental transitional period.

64. The Committee on Conferences and the Department of Conference Services had done a great deal to draw up a balanced calendar of conferences and meetings and to provide the necessary conference services; he hoped that they would continue to play an active role within the context of their respective mandates.

65. Mr. RAZVIN (Union of Soviet Socialist Republics) said that the Committee on Conferences was continuing to show inexplicable timidity in implementing various key elements of its mandate, and that was preventing it from generating new ideas to improve efficiency in the utilization of conference-servicing resources. The concern shown by a number of delegations which suggested that external consultant services should be used to provide a fresh and unbiased overview of the work of the Department of Conference

(Mr. Razvin, USSR)

Services was justifiable. However, before taking that course, it was necessary to exhaust all the internal resources of the United Nations Secretariat, including the Department of Conference Services, and the possibilities offered by the Committee on Conferences which, if it fulfilled its mandate in every respect, could play a very important role in reviewing the conference activities of the United Nations system.

66. The Committee should shift its emphasis from reviewing the immense volume of statistical data and perfecting its methods for collecting and processing them, towards the implementation of such essential elements of its mandate as the identification of ways and means to ensure the optimum utilization of conference facilities and services and improve the coordination of conferences within the United Nations system. Such a change of emphasis would place new demands both on the Committee itself and on other intergovernmental bodies of the Organization. The recommendations made by the Group of 18 would permit the Committee to be transformed into an influential forward-looking organ of the General Assembly which, on the one hand, would seek to ensure the more rational and efficient use of existing conference-servicing resources and, on the other hand, would not allow purely financial considerations to impede the dynamic development of the machinery of international dialogue. The Group's recommendations must not fall into oblivion. There were resources within the Secretariat and the United Nations system that had still not been tapped. For example, there was the Joint Inspection Unit, which had great experience in preparing the kind of studies required. The internal analysis and evaluation mechanisms within the Department of Conference Services could also be used to formulate new ideas and proposals aimed at a more effective and optimum utilization of conference services.

67. What was important in that respect was to increase cost-effectiveness, not to reduce expenditures for the sake of doing so. For example, he wondered how justifiable were the Secretariat's plans to introduce new technology in virtually every area of conference services. He regretted the fact that the report of the Committee on Conferences threw no light on such questions as the real increase in productivity resulting from the new technology, the consequent redistribution of human resources within the Secretariat to streamline its activities and save resources, the relationship between the amount of hardware and the number of personnel that would ensure minimal costs and maximum efficiency for the Organization, and how the massive introduction of new technology in practically all areas of United Nations activities, including conference services, had affected and would affect the workload standards for staff in units where such standards existed, and the development of such standards where they did not exist or were not clearly defined.

68. While not denying the possible usefulness of an independent outside review, he did not think that it would be a panacea for internal problems. What was required was the political will of the intergovernmental bodies and of the Member States themselves. The services of external consultants could be used to carry out an unbiased analysis of activities relating to the

(Mr. Razvin, USSR)

coordination of conference services within the United Nations system. Progress in that area had so far been insignificant. He looked forward to the report of the Inter-Agency Meeting on Language Arrangements, Documentation and Publications that would be submitted to the Committee on Conferences in 1992. He also hoped that the proposals made by the Consultative Committee on Administrative Questions, which had considered the question in detail, would be reflected in the documentation on the subject.

69. As the Group of 18 had recommended, the United Nations Secretariat should again consider the question of consolidating all editorial services of the Secretariat in the Department of Conference Services. A clear-cut centralization of conference services within a single department would make it possible to increase efficiency and save resources, as well as reduce unacceptable delays in the issuance of documentation.

70. In 1992, the Committee on Conferences would review the situation in regard to documentation. He hoped that the Committee and the Secretariat would make a detailed analysis of the situation, in particular the utility of a number of publications, the rationalization of publishing services through the introduction of new technologies, the redeployment of the human resources made available as a result, the number of documents issued late, and staff workloads.

71. The Soviet Union had always attached great importance to the conference-servicing activities of the Secretariat. The new element in its position was its rejection, on the practical level, of purely ideological and propaganda considerations in dealing with those activities, and its emphasis on the importance of improving services to delegations and the quality of the documents issued in the Russian language. From a purely practical point of view, there was a need to increase the readers' confidence in United Nations documents issued in Russian by improving the quality of translations, and making them more accurate and readable. To do that, the Russian language services would need skilled specialists of the highest professional standard. There were such opportunities and it was for the Secretariat to take advantage of them.

72. Mr. SENA CARDOSO (Brazil) said that the report of the Committee on Conferences included a series of timely and useful recommendations and conclusions for continued improvement in the efficiency and effectiveness of the United Nations. Although the recommendations did not meet all the expectations of some delegations, they reflected an intermediate position among the various points of view represented in the Organization.

73. Much still remained to be done in respect of the availability of documentation and efforts in that direction would help to reduce costs. He therefore welcomed the request in paragraph 32 of the Committee's report, which would make it easier to evaluate the utilization of conference services.

(Mr. Sena Cardoso, Brazil)

74. The report noted that a substantial number of United Nations organs and programmes whose activities were not funded from the regular budget were receiving conference services free of charge. To the extent of its limited possibilities, the Government of Brazil supported the activities of those organs and programmes, which had often helped Brazil to overcome its social and economic imbalances. Nevertheless, it was a matter of concern that resources were transferred from the regular budget to finance extrabudgetary activities and, in that sense, he shared the view that the United Nations should be reimbursed for the conference services it provided.

75. The report reflected the general concern about the efficiency and cost-effectiveness of United Nations activities. While he shared that concern, he was also convinced that the Committee should refrain from encroaching on the sphere of competence of other intergovernmental bodies and should instead concern itself with maintaining the necessary level of quality in services. In order to attain the desired level of efficiency, an effort should be made to eliminate undesirable consequences, for example, situations in which the limited capacity of many Member States to be represented at and participate in meetings held simultaneously might be exceeded. That was the case with the current prolonged and unexpected overlapping of substantive meetings of the Special Political Committee and the Fourth Committee.

76. At the forty-first session of the General Assembly, his delegation had explicitly supported recommendation 1 of the Group of 18, namely, that the Committee on Conferences should be strengthened and given broader responsibilities, and had endorsed the idea that the Committee should be on an equal footing with other intergovernmental organs in order to be able to bring about a better distribution of resources, facilities and conference services in the longer term.

77. Brazil also endorsed the idea that some agenda items should be considered biennially and supported the work of the Committee on Conferences in that connection. It therefore looked forward to the possibility of working with other delegations to select those agenda items allocated to the Fifth Committee which could be dealt with in that way.

78. Mr. AKOLZIN (Belarus) said that he attached great importance to the work of the Committee on Conferences and was in favour of strengthening its powers as an intergovernmental organ responsible for the rational and economic planning and provision of conference services. It was cause for satisfaction that the members of the Committee, in cooperation with the Department of Conference Services, had recently achieved some notable advances and positive results in that field. In the past year alone, many valuable and useful recommendations and proposals had been put forward, the implementation of which could contribute to the preparation of a better organized calendar of conferences and to increased efficiency and effectiveness in the utilization of the corresponding resources and services.

(Mr. Akolzin, Belarus)

79. In particular, his delegation fully supported the Committee's recommendations that the Economic and Social Council should resume consideration of the biennialization of the meetings of its subsidiary organs, in the context of the ongoing restructuring and revitalization exercise, and that the Trusteeship Council should review its requirements for conference services. In that connection, it was very important for the Committee on Conferences to play an active role in the implementation of those recommendations and to provide those organs with the necessary assistance in reviewing the calendar of conferences and reducing documentation.

80. He also welcomed the Committee's somewhat belated decision to request those organs and programmes of the United Nations whose activities were funded from voluntary contributions, in particular the Governing Council of UNDP and the Executive Board of UNICEF, to review their meeting and documentation requirements, in the light of their significant financial implications for the Organization's budget.

81. The Committee's decision to continue to promote contacts with United Nations organs to help them to make more effective use of the services provided to them was undoubtedly important and useful. The results of those contacts were well known; whereas, in 1983, the average utilization factor for available conference resources had been 64 per cent, in 1990 it had risen to 78 per cent. At the same time, he endorsed the proposal of other delegations that the minimum acceptable utilization rate for conference services should be 85 per cent, and requested those bodies which used less than 60 per cent of the services at their disposal to review their planning of meetings.

82. With regard to the work of the Committee on Conferences itself, and its special status among subsidiary organs of the General Assembly, his delegation shared the concern expressed by other Member States that the efficiency of the Committee's work had not yet fulfilled the expectation that a considerable reduction could be achieved in conference services, which accounted for 20 per cent of the United Nations regular budget. That serious deficiency could not be attributed solely to the way the Committee conducted its work or to the skilful resistance put up by the Department of Conference Services. In his opinion, the main reason for the less than encouraging results achieved was that most Member States applied a double standard in that regard. On the other hand, when the action taken was coherent and based on a desire to introduce order and discipline, as well as to make the most economical use of available resources, positive results could be achieved. In that context, his delegation endorsed the proposal of the United States representative and other delegations that the Fifth Committee should do its best to rationalize its own work and thus give moral and practical support to the work of the Committee on Conferences.

83. As far as using outside experts to study ways of improving United Nations conference services was concerned, his delegation had serious reservations as to the usefulness of any measure of that kind; it would involve additional

(Mr. Akolzin, Belarus)

expenditure for the Organization and its practical results would probably suffer a similar fate to that suffered by many of the studies and recommendations of the Joint Inspection Unit. Obviously, the problem was not that the Committee on Conferences and the Fifth Committee were unaware of the problems relating to conference services or had no idea how to solve them. On the other hand, it was vital that efforts to do so should have the support of all Member States and all organs of the United Nations system.

The meeting rose at 5 p.m.

UNITED NATIONS

General Assembly

FORTY-SIXTH SESSION

Official Records

FIFTH COMMITTEE
7th meeting
held on
Friday, 11 October 1991
at 10 a.m.
New York

SUMMARY RECORD OF THE 7th MEETING

Chairman: Mr. MUNTASSER (Libyan Arab Jamahiriya)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

CONTENTS

AGENDA ITEM 104: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS (continued)

This record is subject to corrections.
Corrections should be sent under the signature of a member of the delegation concerned within one week of the date of publication to the Chief of the Official Records Editing Section, Room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

91-56480 39198 (E)

Distr. GENERAL
A/C.5/46/SR.7
15 October 1991

ORIGINAL: ENGLISH

/...

The meeting was called to order at 10.30 a.m.

AGENDA ITEM 104: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS (continued) (A/46/5 and Add.1, Add.3-5 and Add.7; A/46/298, A/46/299, A/46/404 and A/46/510)

1. Mr. MICHALSKI (United States of America) said that the reports of the Board of Auditors were one of the few credible sources of information whereby Governments could judge whether the resources provided to international organizations were used as effectively and efficiently as possible. Unfortunately, evaluation reports from the Secretary-General and the executive heads had not served their intended purpose.

2. The Board of Auditors had done excellent work in monitoring the financial and management practices of United Nations organizations and programmes, but management had frequently been reluctant to comply fully with its recommendations, as the Board's report on the implementation of its previous recommendations (A/46/299) showed.

3. The Board had been requested to examine the effectiveness of corrective measures taken or proposed by the management of United Nations agencies and programmes. Its report on the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) (A/46/5/Add.3) included an assessment of the steps taken by the administration to resolve issues raised in the audit report for 1989. No such evaluation of the Office of the United Nations High Commissioner for Refugees (UNHCR) had been possible, however, because of the late submission of documentation. His delegation looked forward to receiving that information for UNHCR and for all other audited agencies and programmes on a regular basis.

4. The failure of the audited agencies and programmes to respond to the requests for action on various matters in General Assembly resolution 45/235, in particular paragraph 13 (b), (c) and (d) and paragraph 16, was troubling. In view of the serious problems identified in previous audits, his delegation did not accept the view that no follow-up action on those matters was required.

5. His delegation was pleased to note that the interim study by the Panel of External Auditors on the development of appropriate accounting principles and standards for consistent application in the United Nations system, requested in paragraph 5 of the same resolution, was already available and was scheduled for consideration under another agenda item. He trusted that the views of the Administrative Committee on Coordination (ACC) would be made available at an early date.

6. With regard to the Secretary-General's report on the problem of unliquidated obligations (A/46/404), his delegation shared the Canadian view that the proposed changes must not result in a loss of control over project costs and implementation.

(Mr. Michalski, United States)

7. His delegation welcomed the issuance, for the first time, of interim reports on the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA) and the International Trade Centre (ITC), in particular, the focus on management issues. It assumed that the absence of interim reports on other agencies implied that no serious problems had been identified, but it would like an explanation as to why no interim report had been issued, for example, for UNICEF. Moreover, notwithstanding serious financial management problems identified in past audits, no interim report had been issued for United Nations accounts. Clearly, the new procedure needed to be standardized and his delegation would like to hear the Board's views as to whether interim reports should be issued for all audited organizations and programmes.

8. Turning to the report on the United Nations Institute for Training and Research (UNITAR) (A/46/5/Add.4), he said that his delegation believed that the Board's findings must be taken fully into account when the General Assembly decided on the Institute's future. Unfortunately, its financial situation had deteriorated further in 1990, suggesting a lack of confidence in its activities on the part of most Governments. His delegation was deeply concerned by the continued need for regular budget advances to UNITAR; according to the Advisory Committee, the sum advanced by the United Nations was expected to reach $10 million in 1991. The total amount due to the United Nations General Fund appeared to exceed the total value of the UNITAR property. His delegation was strongly opposed to advancing additional funds to UNITAR and to any proposals that would keep it in operation.

9. As the largest contributor to UNRWA, the United States had paid particular attention to the findings of the 1990 audit (A/46/5/Add.3). His delegation welcomed the steps taken to resolve the serious management problems that had been identified in regard to the Area Staff Provident Fund, and assumed that the Board would examine the operation of that Fund closely in future. It agreed with the Board and the Advisory Committee on Administrative and Budgetary Questions that the separation payments made by UNRWA to a staff member were not adequately justified. It could not accept the Agency's position that information on the case should be withheld from the auditors and would appreciate a full explanation of the circumstances.

10. His delegation was pleased to note that, overall, the financial situation of UNHCR had improved significantly during 1990, according to the report of the Board of Auditors (A/46/5/Add.5). At the same time, it shared the concerns expressed by the Board and the Advisory Committee about serious lapses in financial management, incidents of fraud, waste and abuse, and problems experienced in the execution of project activities. Many of those problems had been identified in previous audits, in some cases several years earlier, but little progress had been made in addressing them. A previous Board recommendation concerning the treatment of trust fund accounts had not been fully implemented, although some improvements had been made. Further efforts should be made to define policies with respect to the management of trust fund accounts to prevent misuse of those funds in the future.

(Mr. Michalski, United States)

11. The number and seriousness of the cases of fraud identified by the Board was a matter of particular concern and he would like to know how much of the amounts embezzled had been recovered. His delegation also shared the Board's concern regarding the apparent misuse of UNHCR funds to furnish the office of an implementing partner (para. 97) and fully agreed that UNHCR should re-emphasize to all implementing partners and agencies that the utilization of donor contributions for the welfare of refugees should always override other considerations.

12. The Board's interim report on UNFPA (A/46/5/Add.7) contained a number of disturbing findings. Problems identified in previous audits had given rise to qualified opinions on the financial statements of UNFPA, in one case because of the failure of the Agency's implementing partners to provide audited financial statements in time. Apparently, the situation had not yet improved to the point where unqualified opinions could be issued.

13. Another serious management problem was excessive support-cost payments to non-governmental organizations for implementing UNFPA-financed projects. His delegation would like UNFPA to provide a list of non-governmental organizations executing UNFPA projects, with a breakdown of the amounts reimbursed for support and other administrative costs for the past three years. The information would be useful to his Government in the administration of its bilateral population programmes. The matter should be reviewed by the UNDP Governing Council in 1992 and specific limits should be set on the levels of support costs paid to non-governmental organizations. That was required under the financial regulations of UNFPA, but there was no evidence that the Governing Council had actually approved specific rates.

14. Numerous deficiencies had been observed in UNFPA internal financial controls. Measures had been proposed to strengthen the Fund's internal financial management capacity, but the Governing Council had not agreed to the proposed staffing arrangements. His delegation hoped that the Governing Council would reconsider its position in the light of the Board's findings. Without significant improvements in financial management, the resources necessary for the programme might not be forthcoming. The Governing Council should also look into the apparent lack of control over cash advances to Governments and non-governmental organizations. The Board had found numerous cases where very high advances were made but very little interest income reported.

15. The interim report on UNDP (A/46/5/Add.1) suggested that the opinion for the Programme to be issued for the biennium 1990-1991 would be a qualified one, mainly because of the failure of the UNDP executing agencies to comply with previous requests for the timely submission of audit certificates. That lack of cooperation on the part of the executing agencies reflected the larger problem of the failure of UNDP to enforce agency accountability requirements mandated by the General Assembly and the Governing Council. Appeals by the Governing Council for more detailed reporting by executing agencies had been

(Mr. Michalski, United States)

disregarded. In the absence of such information, it was not clear that the resources made available to UNDP were being utilized efficiently and effectively. Without significant improvements in the audits of the executing agencies, appeals for increased contributions to UNDP would be difficult to support.

16. The issue of agency accountability had long been of concern to the United States. Despite repeated assurances from the Administrator that substantial progress had been achieved, the report suggested that the reality was otherwise. The matter was a serious one and went far beyond the question of auditing. His delegation recommended that the General Assembly should specifically endorse the Board's opinion that agencies showing no willingness to cooperate by entering into a Standard Basic Executing Agency Agreement (SBEAA) with UNDP were failing to comply with the requirements of General Assembly resolution 2688 (XXV), which should disqualify them as executing agencies for UNDP activities (A/46/5/Add.1, para. 28).

17. The observations regarding the management of the Office of Project Services were also of concern to his delegation, which would address the specific issues involved at the next session of the UNDP Governing Council. Current budgetary arrangements already provided the Administrator with the necessary flexibility to allocate the staff needed to manage projects.

18. In conclusion, he said that, in 1990 alone, his Government had made contributions totalling more than $250 million to three of the bodies under consideration. It would take the findings in the reports very seriously in determining future levels of contributions.

19. Mr. MENON (India) welcomed the expansion of audit reports in recent years to cover issues relating to economy and efficiency, particularly in the field of management.

20. He wished to make two general comments on the various reports submitted, which were applicable to the whole United Nations system. First, idle cash balances must be placed in interest-yielding deposits in order to optimize income. Clearly the objective of optimizing returns must be harmonized with the need for liquidity. The policies adopted by UNHCR in that regard could be emulated by other bodies such as UNRWA and even UNITAR, whose Special Purpose Grants Fund displayed high liquidity, although the specific requirements and circumstances of each organization must be taken into account. Second, the final responsibility for ensuring satisfactory utilization of resources rested with the funding agencies. Implementing agencies must be required to account fully for the funds received from those agencies and the negotiation of appropriate agreements between funding and implementing agencies should be a matter of priority.

21. With regard to the report on UNRWA (A/46/5/A[illegible]3), his delegation could not accept the management's plea of "confidentiality" in denying the Board of

(Mr. Menon, India)

Auditors access to relevant information about termination dues paid to an employee and concurred fully with the Advisory Committee's comment in paragraph 9 of its report (A/46/510). Moreover, the UNRWA programme of self-support projects needed to be better designed. There was an apparent conflict between that programme and the agency's welfare programme. The project designs of both programmes required modification and the respective target groups needed to be clearly identified.

22. On the report on UNITAR (A/46/5/Add.4), his delegation felt that, pending any decision on the Institute's future structure, it was important to ensure that some of the critical problems facing it were addressed. His delegation noted with regret the decline in pledged contributions and the decrease from 45 to 26 in the number of countries contributing to UNITAR. Moreover, the Institute's debt to the United Nations General Fund was increasing steadily each year. Ways and means must be found to improve the liquidity position of the INITAR General Fund. Clear procedures should also be formulated by the United Nations and UNITAR for the management and utilization of the Reserve Account.

23. With regard to the report on UNHCR (A/46/5/Add.5), he noted that his delegation had consistently urged greater transparency in respect of extrabudgetary resources, particularly the so-called "other trust funds" and agreed with the Board regarding the need to disclose separately any trust fund with a balance of more than $500,000 (para. 25). His delegation was also concerned about administrative and financial irregularities committed by individuals employed by UNHCR or agencies implementing UNHCR-funded projects. Control and monitoring procedures in the field should be strengthened in order to avoid such occurrences in the future. Operational weaknesses in project reporting and in the delivery and storage of relief goods, as well as the utilization of financial resources, also needed to be remedied. With regard to the confiscation of relief goods by a host country, described in paragraphs 87 to 92 of the report, his delegation agreed that appropriate restitution should be sought.

24. Referring to the report on the International Trade Centre (ITC), he stressed that, although the Centre was a joint subsidiary organ of both GATT and the United Nations, it was expected to act in accordance with United Nations financial and administrative regulations and rules in discharging its responsibilities in respect of trust funds. It should be possible for the Centre to incorporate amendments in its bilateral agreements with donor countries to bring them into conformity with United Nations regulations and rules. He asked whether ITC had made any attempt to do so and what specific problems had been encountered.

25. In respect of the interim report on UNDP (A/45/5/Add.1), his delegation regretted that Standard Basic Executing Agency Agreements (SBEAA) were not yet in place between UNDP and several specialized agencies and that, even where binding agreements had been concluded, full audit coverage was not ensured.

(Mr. Menon, India)

The situation should be remedied in accordance with the recommendation in paragraph 31 of the Advisory Committee's report (A/46/510). It was also a matter of concern that the Office for Project Services showed a large number of cases of project budgets with negative balances and some with large unspent balances. As stated in paragraph 39 of the interim report, that indicated a serious deficiency in project planning and/or project implementation. His delegation would not, however, rush to the conclusion that the number of new projects administered by the Office of Project Services should be controlled. It might be more appropriate to consider ways and means of increasingly delegating the authority currently vested in OPS in regard to those projects to the field offices. On the question of procurement, the rule relating to the delegation of authority for local procurement up to a limit of $20,000 should be strictly implemented.

26. In regard to the report on unliquidated obligations (A/46/404), his delegation was not, in principle, in favour of exceptions to the financial regulations or any partial waiver of them without some overriding reason. In the case in point, his delegation would like further justification for the Secretary-General's proposal, in the light of the comments in paragraph 35.4 of the Advisory Committee's report on the proposed programme budget (A/46/7), before any decision was taken.

27. In conclusion, he stressed that effective financial management required that the lacunae and shortcomings pointed out by the Board of Auditors should be addressed by the administrations concerned with seriousness and dispatch. His delegation was glad to note, from the report on the implementation of the Board's previous recommendations (A/46/299), that they were doing so. Continued cooperation between the Board of Auditors and the various administrations would further contribute to the improvement of the financial and administrative performance of the United Nations system as a whole.

28. Mr. FAZL-I-MAHMOOD (Pakistan) said that full financial accountability not only served the purpose of reform but strengthened the confidence of Member States in United Nations operations and activities. The annual exercise of the Board of Auditors was aimed essentially at ensuring that the United Nations and its various agencies had disbursed their funds in accordance with the financial regulations and with legislative authority. The financial reports and audited financial statements made it possible to monitor the financial state of the whole system.

29. The report of the Board of Auditors on the implementation of its previous recommendations (A/46/299) was a positive step. The practice should be continued, so that Member States could be kept informed of the remedial action taken and at the same time be given an opportunity to see if further corrective measures were required.

30. The auditing of accounts, which was the first step of the audit process, remained incomplete unless the governing bodies and administrations of the

(Mr. Fazl-I-Mahmood, Pakistan)

audited organizations followed the Board's recommendations. The current reports revealed that, during 1990, the Board and the Audit Operations Committee had cooperated closely with the internal audit services of the various organizations, thus paving the way for well-coordinated activities.

31. In some organizations, however, irregularities in financial procedures persisted, possibly owing to structural difficulties. Procedures should be devised to meet financial requirements, while at the same time allowing the organizations to proceed with their programmes and activities. His delegation stressed the importance of ensuring that financial resources were effectively managed and financial regulations adhered to in all of the activities of United Nations organizations.

32. In addition to highlighting shortcomings, the Board had made constructive suggestions which merited serious consideration. His delegation endorsed the Board's view that the agencies executing UNDP programmes should be held as accountable for the use of the resources allocated to them as UNDP itself. Since the Administrator of UNDP bore primary responsibility for the funds which it received, it was important that Standard Basic Executing Agency Agreements (SBEAA), which some executing agencies had yet to conclude, should be entered into without further delay. The executing agencies should also submit audited information on programme expenditure incurred by them in a timely manner.

33. The Board's advice to UNRWA that idle cash (some $20 million in its case) should be placed in higher-yielding time deposits should be followed, particularly in view of the current financial crisis of the United Nations. His delegation also concurred in the Board's opinion that the preparation of budget proposals should take into account the downward trend in donations.

34. He hoped that the executive heads and governing bodies of the various organs and agencies would take careful note of the reports of the Board of Auditors. He stressed once more the need for budgetary control, timely submission of programme budgets, strengthened internal audit mechanisms and improved accounting procedures. The synthesis prepared by the Board should include a review of the actions taken by the various agencies in the light of the comments and observations of the Board and the Advisory Committee.

35. In conclusion, he stressed the importance of making optimum use of the resources available to the various United Nations agencies by improving and streamlining their procedures so that they could produce the best results in the service of humanity and to realize the aims and objectives of the United Nations.

The meeting rose at 11.20 a.m.